

NEWS: EUROPE

Kohl asks for wage restraint to help jobs plan

Germany's Chancellor Helmut Kohl yesterday appealed to trade unions and employers for moderate wage settlements in the forthcoming round of pay negotiations to help secure his goal of halving unemployment by the year 2000.

US denounces vote by pro-Soviet Duma

The days when the Soviet Union was a superpower, has no legal force but has caused alarm among the other members of the Commonwealth of Independent States (CIS) who fear a revival of Russian nationalism.



US secretary of state Warren Christopher making a speech at a hospital yesterday during his one-day visit to Ukraine.

French telecom strike threat

Some of the unions representing France Télécom's 151,000 employees yesterday threatened "a warning strike" if the government pursued its plan to change the utility into a regular state company as a prelude to selling off up to 49 per cent.

Current account surplus soars

France virtually doubled its current account surplus last year to reach FF164.5bn, an increase of nearly FF40bn on 1994, the finance ministry announced yesterday.

Santer urges \$1.2bn project spending

Mr Jacques Santer, president of the European Commission, will today call for an extra Ecu1bn (\$1.2bn) spending on showpiece trans-European communications networks, foreshadowing a direct appeal to European Union leaders at next week's summit in Turin.

'My thesis is that the City [of London] will join Europe and when the City joins, others will'

out that his government had achieved a similar success in the 1980s when more than 3m new jobs had been created in the former West Germany.

EU legal showdown looms over high charges for trucks using Brenner Pass

Brussels to act on Austrian road toll

The European Commission is to begin proceedings against Austria over recent toll increases on the busy motorway over the Brenner pass in the Alps.



three times higher than in 1993. EU rules would allow a Sch500 toll at the most, EU officials say. They point to huge financial reserves built up by the public operating company for the Brenner motorway and the lack of any significant construction on that route.

Brussels wins backing over discrimination in providing broking services

Italy faces securities ruling defeat

The Italian government is likely to be condemned by the European Court of Justice over stock exchange rules which discriminated against foreign securities houses.

because they were not a SIM. The dispute between the Commission and the Italian government has gone on for so long, however, that most large foreign securities houses have long since either set up SIMs in Italy, or have bought

Swiss to privatise telecoms

The Swiss PTT is to be split into two distinct postal and telecommunications companies and will lose its telephone service and network monopoly, the government has announced.

Jaguar aid approval expected

The European Commission is expected next Wednesday to approve £72m (\$110m) of a planned £60m British state aid package for Jaguar, the luxury carmaker owned by Ford, and to announce that it is examining proposals for payment of the remaining £6m.

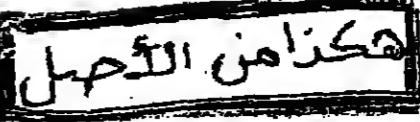
Forty knot ferry to enter service

From the country that brought you the Train à Grande Vitesse comes its marine counterpart, the Navire à Grande Vitesse high-speed French ferry. It is pictured above arriving yesterday in the Mediterranean port of Nice.

Kohl signals response to riots

The German government yesterday signalled a toughening of its deportation laws in response to recent riots by Kurdish protesters organised by the PKK, the Kurdistan Workers party.

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British stance foreshadows battles at IGC UK stonewalls over setting up Europol

By Emma Tucker in Brussels

The establishment of a cross-border European police agency was stalled yesterday as Britain continued to oppose plans to allow the European Court of Justice to rule on disputes involving it.

Mr Michael Howard, the British home secretary, told colleagues at a meeting in Brussels that the European Court was neither "necessary nor appropriate" to the running of Europol, the pan-European intelligence agency that has been on ice since last June.

His stance, which has prompted other governments to refuse to ratify the convention establishing Europol, is causing deep frustration among Britain's 14 partners with whom it will enter crucial talks on the future of Europol in 10 days' time.

Other countries believe that, in a dispute concerning Europol's activities, national courts should have the option of referring to the Luxembourg court for a preliminary ruling.

Britain opposes this even through recourse to the court would be voluntary. It does not want rulings from Luxembourg to influence decisions taken in British courts.

The argument has become symbolic of the battles that are about to be thrashed out at the intergovernmental conference to revise the Maastricht treaty.

Countries such as Germany, Belgium and the Netherlands are keen to grant the court a more pivotal role in enforcing EU law. But Britain opposes any move that would erode the sovereignty of its national courts.

Mr Kurt Schelter, the German junior interior minister, warned yesterday: "Europol is the test case that will show whether the European Union can integrate credibly within the area of justice and home affairs."

But a British official said: "We are looking for arguments of substance that demonstrate the need to include the court, not theological arguments that define positions ahead of the IGC."

Separately, Mr Howard agreed to sign up to a set of rules for improving police co-operation in the fight against racism and xenophobia. Britain dropped its objections after introducing a declaration that allows it to maintain a balance between freedom of speech and protection against racial incitement.

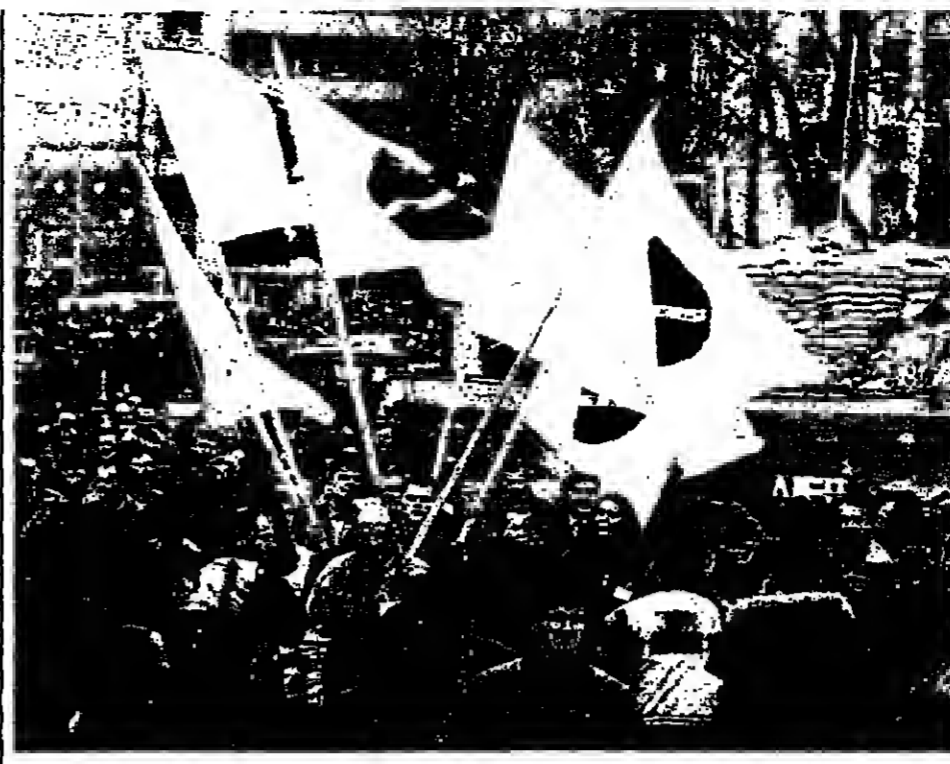
The original text would have required Britain to criminalise certain acts - such as denying that the Holocaust ever took place - that are not in themselves criminal in the UK.

Such a declaration is only criminal in Britain when made with the intention of stirring up racial hatred. In Germany, Austria, France and Belgium, the statement itself is a criminal offence in itself.

"We didn't want to disturb the balance that has existed for a long time," said Mr Howard. "I am happy now that we have the safeguards we wanted all along."

In line with the EU rules, the British government has also promised to introduce a law that will enable the police to seize racist pictures and publications intended for distribution in other member states, provided these were likely to incite racial hatred.

Ministers also edged closer to agreeing a common approach to extradition. The issue has been given a renewed impetus following a row between Belgium and Spain earlier this year, in which the Belgian judiciary refused to extradite a couple suspected of Basque terrorist offences.



Two held for suspected war crimes against Serbs

The UN war crimes tribunal said yesterday that two men had been arrested - one in Germany, another in Austria - on suspicion of committing atrocities against ethnic Serbs. The UN war crimes tribunal said yesterday that two men had been arrested - one in Germany, another in Austria - on suspicion of committing atrocities against ethnic Serbs. The UN war crimes tribunal said yesterday that two men had been arrested - one in Germany, another in Austria - on suspicion of committing atrocities against ethnic Serbs.

to be indicted shortly. The Austrian interior ministry confirmed that a man had been arrested in Vienna on suspicion of killing Serbs in a Bosnian detention centre between May and November 1992. In Sarajevo yesterday (pictured above), thousands of people crossed the "brotherhood and unity" bridge to inspect their old homes in the suburb of Grbavica, the last of five suburbs evacuated by the Serbs. Many of the apartment blocks had been burnt in a last minute binge of arson and looting by hardline Serbs. The flight of at least 80 per cent of the 50,000 Serbs formerly living in outer Sarajevo means that up to 40,000 Muslims and Croats can return to those districts. The two men detained this week are expected

Interest rate cut in Sweden

By Hugh Carnegie in Stockholm

Sweden's central bank yesterday lowered its key interest rate for the sixth time this year in an attempt to spur sluggish economic growth.

The fact that it was able to do so was a clear vote of confidence by the financial markets in Mr Göran Persson, Sweden's incoming prime minister.

Mr Persson's authoritative performance at last weekend's congress of the governing Social Democratic party - when he was elected leader and faced down the SDP's strong left wing on most key issues - was widely welcomed by markets which had been nervous that the congress might compromise the government's commitment to eliminating Sweden's big budget deficit.

The krona continued to strengthen yesterday and long-term interest rates fell as markets judged that Mr Persson, who will be formally elected prime minister in succession to Mr Ingvar Carlsson tomorrow, will continue the tough fiscal policies he has followed as finance minister over the past 18 months.

In two days, the krona strengthened by SKr0.06 to SKr4.52 against the D-Mark and long-term bond yields fell by some 25 basis points, with

the 9-year bond ending yesterday at 8.9 per cent.

The reaction cleared the way for the Riksbank to cut its key repurchase rate by 0.25 of a percentage point to 7.60 per cent. In six successive rate cuts since early January, the Riksbank has trimmed the repo rate by 1.31 per cent in total.

The trend from last year worries about inflation forced the bank to hold up interest rates. But a sudden cooling in both inflationary pressures and the economy as a whole prompted the new monetary policy stance. In the final quarter of last year, gross national product shrank by 0.4 per cent against the third quarter, and growth this year is expected to be below 2 per cent, after 3 per cent growth in 1995 overall.

The economic slowdown is doubly worrying for Mr Persson. It cuts the prospect of any significant fall in unemployment, which is currently more than 12 per cent of the workforce and the biggest political problem facing the government. It also threatens to blow the process of cutting the budget deficit off course as Sweden's public finances are unusually sensitive to macroeconomic trends.

A positive reaction by the financial markets to the SDP congress was therefore met with some relief in Stockholm.

Milan's magistrates build case against Roman colleagues

The thriller is rarely used in Italy as a literary genre. Newspapers provide a stream of stories whose twists and turns defy the imagination of the most seasoned thriller writer.

For the past week a particularly gripping tale has been unfolding, orchestrated by anti-corruption magistrates in Milan. Like all masters of suspense, they are feeding out the story in episodes. But sufficient clues have been dropped to show where the trail is leading.

The clues point towards Mr Silvia Berlusconi, former prime minister and owner of the Fininvest business empire. It is no accident the Milan magistrates

Robert Graham reports on a fast-moving court thriller which may implicate a former prime minister

are laying this trail as campaigning for Italy's April general election gets under way.

The story has got off to a cracking start. A glamorous woman, code named Witness Omega and well connected in both Milan and Rome society, decides to spill the beans on how big business got the Rome judiciary on its payroll.

The woman is quickly identified as Ms Stefania Ariosto, companion for the past eight years of Mr Vittorio Dotti, a top lawyer for Fininvest and parliamentary leader of Forza Italia, the media

magnate's political movement. There has yet to be an adequate explanation why she decided to reveal all she knew since this risked incriminating those around the man who helped promote her lover's legal and latterly political career. But she has admitted in press interviews to gambling debts and revealed resentment towards the Berlusconi clan for past business dealings.

Whatever her motives, Milan magistrates appear confident they have backed up her testimony with considerable detective work, telephone taps and

the planting of bugging devices in Rome cafes. This led to last Tuesday's shock arrest of one of the capital's most prominent judges, 71-year-old Renato Squillante.

Mr Squillante, for five years commissioner of Consob, the watchdog of the Milan bourse, supervised the judges of first instance who decide whether to proceed with magistrates' requests to investigate and prosecute. The Milan magistrates' accusation is that he had allegedly received money to "arrange" cases.

These cases have yet to be identified and Mr Squillante's lawyers have denied any wrongdoing. But the leaks coming from the Milan magistrates, which have proved remarkably accurate over the past four years, suggest at least two of these involve Fininvest.

Mr Cesare Previti, defence minister in the Berlusconi government and whose lawyer's firm handles the Rome end of Fininvest business, is under investigation for allegedly being involved in the transfer of funds to Mr Squillante.

The involvement in the investigation of Mr Previti as a result of him being first named by Witness Omega, caused tensions within Forza Italia. Mr Dotti said he knew about his girlfriend giving testimony but had never asked the nature of her evidence. This provoked a string of sarcastic comments from Mr Previti, a long-standing rival and seen as the hawk in Forza Italia compared to the mild-mannered Mr Dotti.

Mr Berlusconi then called upon Mr Dotti to disassociate himself from his companion. Having refused to do so, he was ejected from Forza Italia

at the weekend. Meanwhile it has emerged that Mr Dotti himself gave evidence to Milan magistrates - media in the Fininvest camp identified him as a witness code named Sigma in court documents.

Yesterday Mr Dotti indicated in an interview that he was unlikely to remain a Fininvest lawyer.


But the story does not end here. Nor is it just another episode in the Milan magistrates' efforts to incriminate Mr Berlusconi - already on trial on one charge of corruption and who risks at least three other

similar trials. It forms part of a long-standing resentment felt by the Milan judiciary towards their colleagues in Rome.

Milan accuses Rome of having blocked or buried every important post-war investigation through fair means and foul. The Rome courts are dubbed "the gateway to the clouds" for the way cases have a knack of getting lost there.

The Omega testimony and subsequent surveillance of members of the Rome judiciary has provided the opportunity to even the score. But to succeed Milan magistrates will have to be sure of their political cover and to demonstrate their proof is cast-iron.

New Issue March 1996
Land Niedersachsen



6.625 % Bonds of the State of Lower Saxony 1996 (2006)

- Security Identification No. 159 075 -

The State of Lower Saxony (Land Niedersachsen), Germany, is launching a bond issue, which is offered by tender through the Deutsche Bundesbank

Aggregate Principal Amount: To be determined according to the result of the public tender.

I. Features of the bonds

Par values: DM 1,000 or an integral multiple thereof.

Interest: Interest at the rate of 6.625% will be payable yearly in arrears on March 20, commencing on March 20, 1997. Interest accrued is based on the date of payment. The issue shall cease to bear interest as of the end of the day preceding the day on which it becomes due for redemption. This is also valid in case that the payment is effected according to section 193 of the Civil Code.

Maturity: 10 years. The bonds will be repaid at their face value on March 20, 2006. The bonds may not be recalled before maturity.

Trust eligibility: Pursuant to section 1807 (1) 2 of the Civil Code.

Eligibility for investment in premium reserve stock: The bonds are eligible as collateral for investment in premium reserve stock pursuant to section 54a (2) 4 of the Act concerning the supervision of insurance enterprises.

Eligibility for central bank refinancing: The bonds are eligible as collateral for lombard loans pursuant to section 19 (1) 3d of the Deutsche Bundesbank Act and eligible for securities repurchase agreements.

Stock exchange listing: The bonds will be admitted to official trading on the stock exchanges in Hannover and Frankfurt/Main on Monday, March 25, 1996.

Market regulation: The Deutsche Bundesbank will regulate the market for account of the issuer.

Delivery: The total amount of the bonds will be evidenced in the form of shares in a Global Debt Register Claim (Sammel-schuld-buchforderung) registered in the name of the Deutscher Kassenverein AG, in the Debt Register of the State of Lower Saxony (Landes-schuld-buch Niedersachsen). No registration of partial amounts of the Global Debt Register Claim in the name of a specific creditor - Single Debt Register Claim - (Einzel-schuld-buchforderung) - will be made.

The receipt of physical securities is not possible during the entire period to maturity.

The bidders will receive shares in collective securities accounts (Wertrechte). They will be delivered by the Land Central Bank - Main Office of the Deutsche Bundesbank - Hannover according to the instructions of the bidder.

Payments: Principal and interest shall be paid, as and when due, to the respective accounts of the depositors with the Kassenverein. Payments by the issuer due to investors without a Land Central Bank giro account will be passed to the latter's accounts with credit institutions.

II. Procedure of tender

Range of eligible bidders: Credit institutions and non-banks which hold a Land Central Bank giro account may participate in the tender direct. Other domestic and foreign prospective buyers may submit their bids indirectly through a domestic credit institution; in this case, contractual relationships will arise only between these indirect bidders and the credit institution acting as their intermediary.

Insurance companies, pension funds, investment funds and other institutional investors without a Central Bank giro account, and private investors should contact their credit institutions.

Bidding deadline: For domestic banks; and non-banks which hold a Land Central Bank giro account: 11:00 a.m. on Wednesday, March 20, 1996. Other potential bidders should contact a domestic credit institution well in advance.

Bidding: Bids can be considered only if they have been submitted (informally in writing, by telex or telefax) to the appropriate office of the Deutsche Bundesbank - Land Central Bank (Landeszentralbank) - where the giro account is held.

Bids: Quotation of the desired par value and of the price, as a percentage of the par value, at which the bidder is prepared to buy the bonds. Bids must be for full 0.01 percentage points. Non-competitive bids or submission of several bids at different prices are possible. No yield bids will be considered.

Minimum denomination: DM 5,000.00 or an integral multiple thereof.

Allotment: Immediately but not later than 9:00 a.m. on Thursday, March 21, 1996 by the Landeszentralbank - Hauptverwaltung der Deutschen Bundesbank - Hannover, Georgplatz 5, D-30159 Hannover, Germany (Land Central Bank - Main Office of the Deutsche Bundesbank - Hannover).

Bids are allotted at the price specified in the bid concerned ("US-style tender procedure"). Non-competitive bids are filled at the weighted average price of the bids accepted. The Bundesbank reserves the right to scale down bids quoting the lowest accepted price and non-competitive bids. If bids are scaled down, at least DM 1,000.00 per bid concerned will be allotted.

The issuer reserves the right to increase the allotted overall amount of the issue for the purposes of market regulation.

Date on which the amounts allotted will be debited to bidders' accounts: For domestic banks, and non-banks bidding direct: not later than 11:30 a.m. on Friday, March 22, 1996. The equivalent will be debited to the Land Central Bank giro accounts. Timely remittance of cover is required. For potential bidders submitting bids through banks, the arrangements made with their credit institutions will apply.

Miscellaneous: Unless otherwise provided elsewhere in this invitation to tender, the "General terms and conditions for the sale of Federal bonds by tender" of the Deutsche Bundesbank will apply.

Hannover, March 1996

Land Niedersachsen
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Niedersächsisches Finanzministerium

Deutsche Bundesbank
represented by
Landeszentralbank in der
Frcien Hansestadt Bremen,
in Niedersachsen und Sachsen-Anhalt

AMERICAN NEWS DIGEST

US new home starts up 3%

Construction starts on new homes and apartments increased last month to their highest rate in more than a year...

The February pick-up in starts was sharply against Wall Street expectations of a decline to 1.42m a year...

The department sharply revised up its estimate of the level of December starts from a previously reported 1.39m units...

Caracas puts stress on reform

Venezuela's government is indicating it will give renewed impetus to economic reform and to reaching an agreement with the International Monetary Fund...

The World Bank and the Inter-American Development Bank indicated that they were prepared to grant significant credit lines to Venezuela for social programmes...

Diplomat Thomas Enders dies

Mr Thomas Enders, who has died in New York of melanoma at the age of 64, was a high-profile and sometimes controversial career diplomat...

As number two in the Phnom Penh embassy in the early 1970s, he was instrumental in directing the secret US bombing of North Vietnamese forces in Cambodia...

Brazil settles debt dispute

Brazilian officials said yesterday they had resolved a dispute over the country's foreign debt with the Dart family of the US, Brazil's largest private creditor...

GM strike expected to slow US growth

By Richard Waters in New York

The strike which has halted virtually all of General Motors' US operations entered its third week yesterday...

at two GM parts plants in Dayton, Ohio, has grown from a local plant-level disagreement to become the most serious dispute in the US car industry since a nationwide strike took place in 1970.

The Dayton strike was prompted by GM's plans to buy some parts from outside suppliers rather than make them itself.

company's many suppliers. GM said that, by yesterday, the strike had forced it to send 156,000 workers home...

The impact of the Dayton stoppage has been felt far more quickly than in previous strikes, due to the greater efficiencies in GM's supply chain...

would hit economic growth in the first quarter. If not settled until the end of this week, it will shave 0.3 per cent from the economy's annualised growth rate for the first three months...

Most economists had until recently been expecting annualised growth of only around 1 per cent for the period, though a jump in employment numbers in February led many to virtually double their growth forecasts.

highest steelmaker, warned on Monday that a halt in supplies to the carmaker would hit its first-quarter earnings.

Caterpillar, the maker of construction and earthmoving equipment which itself recently won an 18-month industrial dispute with the UAW, said it had shut down a production line that supplied engines to GM.

Salinas faces new charges

By Leslie Crawford in Mexico City

The Mexican government has brought charges of embezzlement against Mr Raúl Salinas, elder brother of former President Carlos Salinas...

Mr Raúl Salinas was jailed in February 1995, three months after the end of his brother's presidency, accused of masterminding the assassination of Mr José Francisco Ruiz Massieu...

The attorney-general's office in Mexico City yesterday said it was pressing charges of "inexplicable enrichment" against Mr Salinas...

Clinton fleshes out budget for election

By Jurek Martin in Washington

President Bill Clinton yesterday presented to Congress a fleshed-out \$1,640bn budget for the fiscal year starting in October that stakes out again the policy ground for his re-election campaign.

In an accompanying message, the president said a balanced budget agreement was still achievable this year, but he called on the legislature to do it "the right way".

While infinitely more detailed than the skeletal version Mr Clinton was obliged by law to offer early in February...

This overall sum is close to that he has already proposed in the ongoing budget negotiations with Congress...

The White House said budget talks would resume today in a session between the president, Senator Bob Dole, the majority leader and Congressman Newt Gingrich...

Under the Clinton plan, investors would be obliged to calculate profits based on the average acquired price of any given share, as many mutual funds now do...



Dole: fresh budget discussions

Smog watchdog airs Los Angeles initiative

By Christopher Parkes in Los Angeles

A sweeping initiative to freshen the air in the smog-stuffed Los Angeles basin, and simultaneously disarm political criticism of "excessive" environmental regulation...

The South Coast Air Quality Management District hopes its proposals to widen the scope of southern California's "smog credits" market...

The district's executive began drafting a new deal for California's polluters following an agreement in principle to extend trading in smog credits...

The impact of this Regional Clean Air Incentives Market would be enhanced by corporate contributions to a central fund from other polluters...

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There's no stopping at Fiera Milano. One event follows another, punctually and successfully. As always. Over 70 exhibitions and 1.5 million sq. m. of stand space sold every year...

INTERNATIONAL EXHIBITION CALENDAR FROM JANUARY TO JULY 1996

Table listing international exhibitions from January to July 1996, including dates, titles, and locations. Examples include CHIBI '96 (Jan 22), CART '96 (Jan 22), MIACEF PRIMAVERA '96 (Feb 9-12), MIPEL '96 (Mar 14-17), and MIO '96 (Mar 30).

The heart of Milan. Fiera Milano - Largo Domodossola, 1 - 20145 Milano - Tel. 143924972 - Fax: 143924997 - Telex: 310660 FIERA MI. Representative for Great Britain, Ireland. Overseas Trade Show Agencies Ltd 11, Manchester Square - GB - London W1M 5AB - Tel: 01171-4040191 - Fax: 01171-407340 - Telex: 24549

Menem toys with end to the 'Cavallo factor'

David Pilling on how the Argentine president has isolated his once-indispensable economy minister

The political marriage between Argentina's President Carlos Menem and Mr Domingo Cavallo, his economy minister, has long been one of convenience...



Menem: unhappy

But the marriage now appears to be on the rocks. Last week the two men clashed over a plan, cooked up behind Mr Cavallo's back, to involve trade unions in economic decision-making...

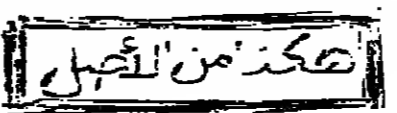
Nacion scandal in which bribes were allegedly paid during the award of a \$249m contract. The federal judge investigating the case is soon expected to decide whether to press charges...

The clash - the first face-to-face confrontation in a long series of squabbles conducted through intermediaries - ended in the usual denials that Mr Cavallo was about to be ejected from government...

Economic and Social Council, formed in conjunction with union and business leaders, should have a hand in dictating economic policy.

The political instincts of Mr Menem - unlike Mr Cavallo's Peronist through and through - is to make gestures of reconciliation towards such groups. Mr Cavallo's reaction is to ignore the buzz of protest and concentrate on the business of deepening economic reforms...

Last week, another Cavallo appointee fell. Mr Hugo Caggero, head of the tax office, was dismissed because of his proximity to the IBM-Banco



US pledge brings IDA funding deal

By Robert Chote, Economics Editor, in Washington

Officials from more than 30 countries have hammered out a three-year funding deal for the International Development Association, the arm of the World Bank which lends to poor countries on highly subsidised terms.

At a meeting in Tokyo yesterday, the US administration formally pledged \$800m to IDA in each of the financial years beginning in mid-1997 and mid-1998. The other donor countries - which have the right to vary their contributions in proportion to that of the US - pledged a further \$3.2bn in each year, giving a total of \$4bn.

Negotiations on this, the 11th replenishment of IDA, have been dogged by uncertainty about the size of the US contribution. The Senate and House of Representatives last year rebuffed the Clinton administration's request for \$1.4bn for the final year of IDA's 10th replenishment, agreeing to provide only \$700m.

Years still remain that a newly elected Congress will fail to honour the administration's commitment to IDA-II when the time comes. If so, other donor countries will have the right to scale back their contributions accordingly. The donor representatives agreed in Tokyo to convene an early meeting if it looked likely that the financing deal was getting into trouble.

In the coming financial year, IDA projects will be financed from a \$3bn emergency fund to which the US will not contribute. As a result the US will be frozen out of decision-making and procurement contracts, following a similar precedent set in 1984. The US will instead pay \$934m during the coming financial year to clear its arrears from the previous replenishment.

In addition to the \$11bn provided by donor countries over the next three years, the funding package will include a further \$11bn made up from past

donor contributions, the repayment of existing IDA loans and contributions from the general resources of the World Bank. The total sums available are a little less than the World Bank hoped for 12 months ago, but rather more than some participants feared likely at the turn of the year. In addition to the overall funding level, IDA's commitment to developing countries will also come under pressure because of the \$400m which the association is set to pledge to Bosnia over the next



Sven Sandstrom: 'a significant achievement'

three years. Mr Sven Sandstrom, the World Bank managing director who has chaired the IDA negotiations over the last 15 months, said that yesterday's agreement provided "a strong financial base for IDA for the next three years, and that is a significant achievement". However he added that the problems encountered in reaching an agreement underlined the importance of "assured mechanisms" to help the poorest countries in the future.

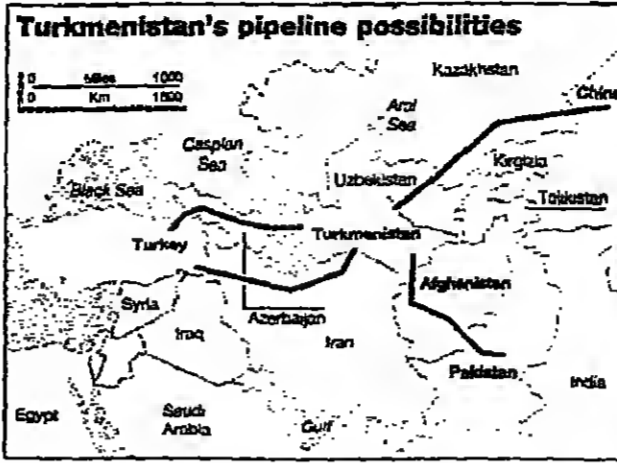
IDA provides money in 78 countries where income per head is less than \$965 a year. It supports projects in areas such as primary education, health services, basic infrastructure and clean water provision. Editorial comment, Page 13

Oil groups vie to pipe Turkmen gas wealth

Oil and gas companies last week descended on Ashgabat, the capital of Turkmenistan, to promote competing proposals for a pipeline that could unlock the world's third largest gas reserves.

When they broke away from the Soviet Union in 1991, many of Turkmenistan's 4m inhabitants believed estimated reserves of 13,000bn cubic metres would soon make them as wealthy as Kuwaitis. Instead, the country went broke when Russia cut off access to the only export pipeline to hard currency markets, preferring to sell its own gas instead. This forced the country to reduce production to a quarter of Soviet-era levels.

Delegates at the conference treated Turkmen officials to satellite pictures and computer simulations, but none could offer a safe, affordable and



quick road to riches.

Unocal, an oil and gas company based in Los Angeles, appeared to lead the race as it skipped the conference for a

long series of vodka toasts with Mr Saparmurat Niyazov, the Turkmen president, and Mr Ram Vyakhirev, chairman of Russia's gas monopoly Gaz-

prom. Unocal is proposing a 1,400km gas pipeline with an annual capacity of 30bn cubic metres (bcm), along with an oil pipeline, through Afghanistan to Pakistan.

Unocal is aware that much of the pipeline will go through a war zone controlled by Afghan rebels. "There are no obvious ways out," said Mr Marty Miller, Unocal vice-president.

Unocal may get much of its financing from its partner in the region, Delta Oil of Saudi Arabia. But it must also convince Russia's Gazprom, which owns 45 per cent of a joint venture with the Turkmen government for much of the country's exports and has a de facto veto over other projects. Many western experts expect Gazprom to oppose any pipeline that could loosen its grip on Turkmenistan. Iranian and Turkish dele-

gates claimed they could relieve Turkmenistan of up to 27 bcm of gas a year by pumping gas south through Iran and Turkey to western Europe. Iran is already building 140km of pipeline from southern Turkmenistan to the Iranian border in return for 8 bcm of gas. Turkmen officials openly support this route, but none of its supporters could say how they would finance a pipeline capable of transporting 27 bcm. As the US boycotts Iran, few western investors are likely to risk upsetting Washington.

A third route, proposed by US-based Oil Capital and the Turkish pipeline company Botas, would run across the bottom of the Caspian Sea to Azerbaijan, and on through Georgia or Armenia to Turkey. The route would be short but expensive, and Mr Amangeldy Ezenov, the Turkmen oil min-

ister, dismissed it out of hand. "The fewer states the pipeline crosses, the more reliable it is," he said.

That wisdom could doom a feasibility study by Exxon Corp, Mitsubishi Corp and China National Petroleum Corp, for a pipeline of up to 8,000km through Central Asia and China to Japan or South Korea. "We have high cost, and multiple countries. We've got some mountains to cross," admitted Mr Paul Pike, Exxon's business development adviser. "We have a long way to go."

"It's just a matter of time before it all explodes and opens up," one western diplomat said. "A pipeline will be built. The market is there. The will is there. But which one? It's completely up in the air."

Sander Thoenes

European Commission grapples with the content of chocolate

Alison Maitland on a contest between cocoa growers and confectioners

The European Commission faces a sticky problem over the next few weeks as it grapples with new chocolate manufacturing rules which developing countries fear could badly damage their cocoa exports.

Far from engendering universal pleasure, the composition of European Union chocolate places cocoa producers at loggerheads with EU confectioners and splits member states down the middle.

At issue is the use by seven member states, including Britain, of vegetable fat in chocolate products as an alternative to cocoa butter. The other eight countries, including France, Belgium and Germany, are not allowed to use any vegetable fat other than cocoa butter.

The Commission, which has been struggling to replace the outdated 1973 chocolate directive for the past three years, is due to discuss the problem next Wednesday. The chocolate manufacturing industry says it expects a new draft directive this month or next.

Manufacturers argue that using more malleable vegetable fats allows development of innovative products such as chocolate with bubbles or twists, offering consumers greater choice.

Pressure for reform began when member states called for a simplification of food directives at the Edinburgh summit in December 1992. But the problem soon became one of harmonising the Ecu17bn (\$21.3bn) chocolate market under single market rules.

Britain, Denmark and Ireland are allowed to use up to 5 per cent vegetable fat in their chocolate under an exemption from the 1973 directive. But the legal position of Portugal, which joined the EU in 1986, and new members Austria, Sweden and Finland, all of which also use vegetable fat, remains uncertain. They are anxious for clarification.

Cocoa producers, fearful the Commission will bow to manufacturers' pressure to allow all member states to use vegetable fat, have mounted a strong campaign in the EU.

During a break at last week's meeting of the International Cocoa Organisation in London, Mr Kouame N'guessan, spokesman for cocoa-growing countries, warned such a move could lose them 200,000 tonnes of exports to the EU a year.

The cocoa organisation, which represents producers and consumers, last year estimated the potential additional 165 of cocoa beans could be between 63,000 and 125,000 tonnes. The EU uses about 1.1m tonnes a year, mainly for chocolate - at least 50 per cent more than a decade ago.

"We don't understand why, with a surplus of cocoa, people are looking for alternatives," said Mr N'guessan. "Producer countries have organised themselves to provide abundant supplies."

Mr Martin Bangemann, EU industry commissioner, is anxious to find a compromise. He has suggested allowing member states to continue producing chocolate the way they do now but insisting on clear labelling to indicate whether it contains vegetable fat.

Mr N'guessan conceded that keeping the status quo would be "a little less bad" than permitting the whole EU to use vegetable fat. But he said producers wanted vegetable fat content "harmonised at zero".

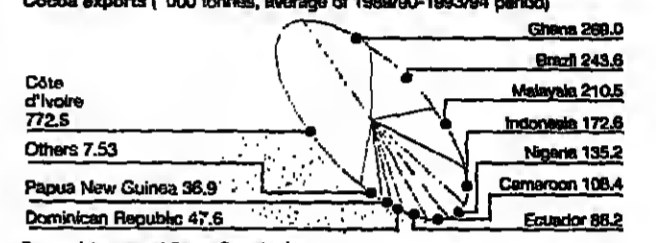
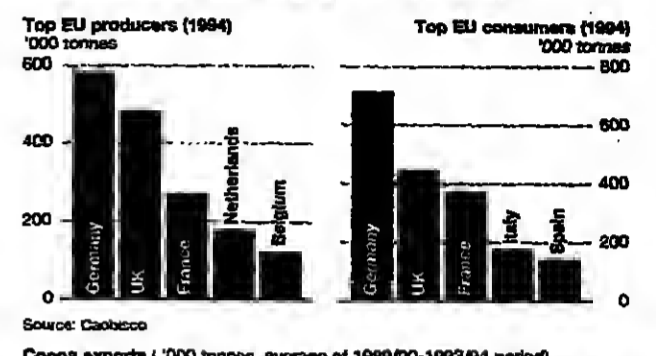
The producers are backed by the British charity Oxfam, which says African countries would lose revenue if all member states used alternatives to cocoa butter such as sheafat, which is three times cheaper.

Caobisco, the European chocolate, biscuit and sugar confectionery association, whose members together represent the world's biggest single purchaser of cocoa beans, maintains producing countries would lose no more than 25,000 tonnes of exports a year.

Mr Baudouin Michiels, Caobisco president, says maintaining the EU status quo would be unacceptable. Confectioners wanting to export have to abide by the production rules in the target country "and this makes the production process more complicated".

If the existing split were enshrined in EU law, compa-

Chocolate & chocolates confectionery



Sources: Caobisco, International Cocoa Organisation

Ingredients list on the back. The Commission has another headache. The International Cocoa Agreement, to which the EU is a signatory, says the Commission will not do anything that would reduce cocoa consumption. "Legally it's complicated," said a Commission official. Officials fear stalemate when the issue is referred to member states - and they say the chocolate row could run and run.

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Cabinet to debate NI polls compromise

By John Kampfer,
Chief Political Correspondent

British ministers last night were understood to have settled on a compromise formula for Northern Ireland elections after hearing forceful representations from the government of the Republic of Ireland.

Mr John Major's cabinet will tomorrow discuss the option agreed by its Northern Ireland subcommittee after more than two hours of difficult discussions. The evening meeting was held after a day of intensive consultation, with all the main Northern Ireland parties accusing the UK government of acting in bad faith.

Sir Patrick Mayhew, the government's chief Northern Ireland minister, will meet Mr Dick Spring, the Irish deputy prime minister, in Belfast today to examine through the package.

This is understood to include full details of elections, which are expected on May 30; the possibility of a referendum in Northern Ireland and the

Man shot in republican faction's latest feud

A man was shot and injured in Belfast yesterday as the latest feud within the faction-ridden Irish National Liberation Army gathered pace. The shooting was seen as a retaliation for the killing of a nine-year-old girl while she played with a jigsaw puzzle in her home. Shots were fired through the window of the Belfast home on Friday.

Yesterday's victim escaped with a leg injury when gunmen opened fire from a car. Witnesses said that up to nine shots were fired in the incident. The INLA, the political wing of the Irish Republican Socialist party, is smaller than the Irish Republican Army and separate from it.

Yesterday's victim is understood to have been

a pallbearer at the funeral of Gino Gallagher, the INLA "chief of staff" who was shot dead in a social security office in the city in January when the latest dispute within the organisation erupted. Since then another senior INLA figure has been beaten to death on a caravan site in the Republic of Ireland. The INLA's "general headquarters staff" said it had carried out yesterday's attack and demanded that elements of the Gallagher faction be disbanded.

Chief Inspector Roy Dunn, police subdivision commander for the district in which the man was shot yesterday, said: "Quite apart from the ruthlessness of the attack itself, it was carried out in close proximity to a school playground which was being used at the time."

ing a decision was taken "to go back to the drawing board".

One Conservative MP said: "We've become hyper-reactive to the sensibilities of the Irish government and the SDLP [the Social Democratic and Labour party, the main nationalist party in the north]. We thought we had agreed that the question of an electoral system was for us, and us alone."

The compromise variant being discussed was to opt for Mr Trimble's plan, but to add 20 further seats elected on the basis of a list from a single Northern Ireland constituency. This idea was put forward by Mr John Hume, leader of the SDLP, as well as the smaller of the unionist parties, the DUP.

Assuming the full cabinet meeting tomorrow endorses the election proposal, the government is expected to announce it to parliament later that day.

Sir Patrick met Mr Trimble in the House of Commons in an atmosphere described as acrimonious.

Kaizen methods come to the City

By Peter Marsh in London

Teamworking techniques based on the teachings of Zen Buddhism and Japanese-style "continuous improvement" are to be introduced to the City of London by a former foundry worker with a reputation for blunt speaking.

Standard Chartered, a large US-based bank with operations in Asia and Africa, has recruited Mr Sid Joynson to teach 90 largely clerical staff in London the arts of collective effort as practised by companies such as Nissan and Toyota. Mr Joynson runs a management consultancy in northern England, and his clients have included companies such as Coca-Cola, BP and Glaxo Wellcome.

The initiative to introduce kaizen working methods in the City is thought to be among the first of its kind. The City has traditionally stressed highly individualistic ways of operating.

A report last week from CIntec, the training and enterprise council covering the City, accused financial services managers of being resistant to new ideas. It said job evaluation depended largely on an individual's performance rather than on ability to manage others.

Mr Joynson described himself yesterday as "entertainer, enlightener and helper". He said his Zen ideas were vital to communicating his message that companies could improve "by seeing things as they are, without the distortion of cleverness".

"Sid is not for the faint-hearted," said Mr Chris Sykes, operations manager at Standard Chartered. "But we think by using him we can improve our operations by moving to a greater degree of team spirit and empowerment."

Mr Joynson's maxims include getting rid of "Mickey Mouse" rules and reducing the time for meetings. Another aphorism is that too many top managers show to their work-force not TLC - tender loving care - but TDC - tender loving contempt.

Former Ireland premier attacks stance on EU

By Our Foreign Staff

Mr Garret FitzGerald, a former prime minister of the Republic of Ireland, accused the British government yesterday of playing an unfounded fear of a supranational Europe in its recent policy paper on the future of the European Union.

In stressing its opposition to federalism, the government was simply setting up, so as to knock down again, a series of Aunt Sallies," he told the Central London Europe group, a pro-EU lobby.

The British paper commits the government to resisting pressure from "many politicians on the Continent" for "more Europe, tighter political integration, more centralisation, more uniformity".

Since the paper's publication, however, the government has hailed a warning against the spread of supranational agencies by Mr Alain Juppé, the French prime minister, as evidence that support for Britain's position is growing.

Mr FitzGerald said British fears of federalism were nevertheless exaggerated. "No government and no electorate wants unnecessary interference by a European regime... [and] no people want power to drift inexorably to supranational institutions."

He added that Irish working-class audiences had proved to be quite capable of understanding the arguments in favour of the Maastricht treaty and "presumably the same could be true of British audiences, if they were presented with real issues instead of being fed a diet of flag-waving English nationalist rhetoric."

Mr John Major, the prime minister, yesterday underlined the government's rejection of a federal Europe. He was pressed in the House of Commons to rein in the powers of the European Court of Justice. "A federal Europe with a European Court becoming, little by little, a European supreme court, is not one this government can support," he said.

Young people 'worse off than 10 years ago'

By Richard Donkin in London

Young people are financially worse off and finding it much harder to obtain work than they did 10 years ago, says a report published yesterday by the British Youth Council.

The report challenges the view that young people have an easy life and claims they find themselves classed as one of society's lowest priorities.

It says young people make up a disproportionate number of the unemployed. The gap between their wages and average earnings is growing wider and they have fewer benefits.

Among 18 to 24-year-olds, unemployment is almost double the national average, 15.4 per cent compared with 8.5 per cent. Young people make up 17 per cent of the workforce, compared with 23 per cent in 1986. This is in contrast to their

improving educational qualifications: 43 per cent gained five or more "good" GCSEs in 1994, compared with 23 per cent in 1979. Similarly, 28 per cent gained two or more A-levels, against 14 per cent in 1973.

More young people are becoming disenfranchised: almost one in five younger than 24 is not on the electoral register.

The council is calling for a legal framework for young people's rights and policies to protect their interests.

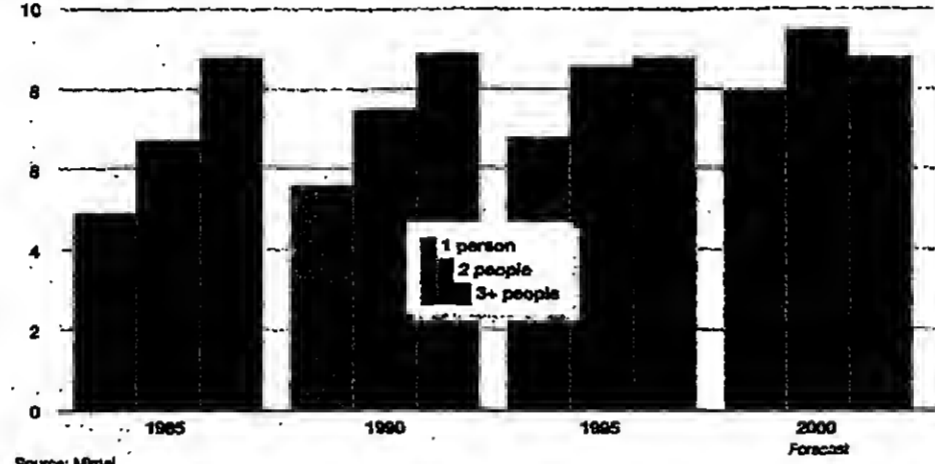
Ms Diana Moore, the council chairman, said: "The gap between society's expectation of young people and their own experiences is getting wider."

"If you want to live longer you should move to the country," Mark Szozman writes. But don't worry about the health effects of job-related stress - the research, in the latest edition of *Population Trends*, shows that people who live in rural and prosperous areas enjoy much better health than those in inner cities, while men and women in all age groups who are in employment live longer than those who are not.

The research, in the latest edition of *Population Trends*, shows that people who live in urban areas, particularly inner city estates and deprived industrial areas, not only die earlier than those in more prosperous and rural neighbourhoods, but have also had much lower gains in life expectancy over the past decade.

Rise of the one-person household

Households (m)



The number of people living alone is set to rise to 8m by the end of the century from 6.8m last year, says Mintel, the market intelligence group. Singles are becoming more positive about living alone than they used to be, it adds. Nearly half of people who live alone are aged 65 or over.

According to two new studies, people living in rural and prosperous areas enjoy much better health than those in inner cities, while men and women in all age groups who are in employment live longer than those who are not.

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Chambers share worries on Emu

By Michael Cassell,
Business Correspondent

Chambers of commerce have backed industry's concerns that the national debate on the European single currency is being dominated by political rather than economic issues. In a letter to Mr Malcolm Rifkind, foreign secretary, the British Chambers of Commerce, the national organisation that speaks for local and regional chambers, calls on the government to set up a commission to investigate the impact of a single currency on industry and commerce.

Mr David Richardson, deputy president of the BCC, complained that the current debate was being conducted in emotional and political terms. The chambers want a commission representing all significant business interests to be established in order to produce and publish practical advice "of an objective nature".

The BCC's concerns have already been voiced by the Confederation of British Industry, which has been calling for a rational dialogue on European issues based on "logic and facts rather than emotion and slogans". The CBI has launched a campaign to push UK business interests to the front of the European debate.

In his letter, Mr Richardson also raised concerns that the government's white paper published last week in advance of this month's EU intergovernmental conference in Turin does not concentrate more on business issues.

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ARTS

Television/Christopher Dunkley

When enough is enough

Distaste at the manner in which television fed on the Dunblane tragedy finally became anger on the evening - days after the event - when Peter Sissons introduced an item about a couple of local doctors.

ing on occasions of this sort - overdoing things to the point where the viewer is ready to scream not just in horror but at the excesses of the medium itself - that it is difficult for even its best friends to defend it.

ought to be, in the hands of the individual, it should be welcomed, though some will oppose it on the grounds that it will be used by broadcasters as a reason for upping the ante.

der rate in England has fallen every century for the last 700 years, or that you were far more likely to be mugged in Dickens' London than you are today.

However, what television quite obviously does do is - literally - bring home to all of us the full awfulness of the violence of mankind which was largely hidden from previous generations.

The effect is to give viewers the impression that matters are constantly getting worse. You can tell people till you are blue in the face that the per capita murder rate in England has fallen every century for the last 700 years.

There is something about the nature of the medium that makes it more powerful than any other in conveying a sense of scale and grandeur.

True, anecdote can be a pretty powerful thing when provided by Pepps, Mayhew or Dickens, but such people are very few and far between, hence the amount of evidence they provide is severely limited.

In the case of Dunblane it was overwhelming. As so often nowadays, television news desks seemed to be driven as much by thoughts of their standing among their peers as by consideration for the viewer.

Viewers can hardly be blamed if they conclude "Everyone's at it" after seeing unrepeatable programmes about the lovers and mistresses of members of the royal family.

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A charmer, charmingly danced: a scene from Christopher Wheeldon's delightful new ballet

Dance Bites/Clement Crisp

'Souvenir' provides the gleam of gold
Sitting through an evening of apprentice choreography is rather like panning for gold.

H is years with NYCB have taught him how to bow Balanchine and Robbins put dances together - this is the way new choreographers learn their craft; there is no other - and his own sensitivities do the rest.

printed in the programme since the words were largely inaudible - I supposed them to be in Volapuk until the phrase "my heart is becoming heavy" struck a sympathetic chord.

Opera in Belfast/Martin Hoyle
The Marriage of Figaro

Callous call! Opera Northern Ireland performs Mozart's opera of class, sex, betrayal and forgiveness in the old Edward J. Dent translation - warm-hearted and, for all its occasional datedness, infinitely more in keeping with the music than the calculatedly clever contrivances of recent Figaros.

Jazz/Garry Booth
Stick to films, Woody

New Orleans jazz band filling the Royal Festival Hall to capacity? In fairness, few people actively dislike traditional jazz - with the exception of most jazz fans.

INTERNATIONAL ARTS GUIDE
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COMMENT & ANALYSIS

Ian Davidson

A hard bargain

With economic power increasingly in the hands of business, governments will want concessions from the corporate sector



The slow piecing together of Tony Blair's new political concept for the UK Labour party, under the general rubric of a "stakeholder society", is turning out to be as tantalising as the dance of the seven veils.

But it is already becoming evident that the last piece in the picture must include an element of political partnership between government and the corporate sector.

Such a prospect will not please the acolytes of free markets. But government is about power, and since power is passing to the business sector that is where governments will increasingly go to share in it.

This may seem counter-intuitive. The conventional wisdom is that governments will simply play a much smaller role in economic matters because of the worldwide triumph of market forces and the collapse of communism.

After all, the first and most immediate consequence of these two developments has been to precipitate a radical downsizing of the public sector, especially in western Europe, through a wave of privatisations.

Earlier claims by governments that they could deliver growth through Keynesian demand management have been fundamentally discredited.

As Mr Blair, the Labour leader, told the executives of Rupert Murdoch's News Corporation at a conference last year: "What is called globalisation is changing the nature of the nation state as power becomes more diffuse and borders more porous. Technological change is reducing the power and capacity of government to control its domestic economy free from external influence."

Of course, it is not just technological change, nor even (more to the point) the globalisation of free capital movements, which are reducing the power of government.

It is also that voters and politicians have finally grasped that there is a heavy inflation

ary price to pay for trying to "control" the economy. In either event, the conclusion is the same: political parties no longer dare to claim that they can deliver what the voters most want: growth and employment.

One might expect, and some people do expect, that the logical consequence of the triumph of market forces would be a downsizing of the general function of governments. But that will not always happen, either on the left or the right.

Politicians have a basic need to be active in government. In the UK, after nearly 17 years in power, the Conservative government is still engaging in a relentless stream of legislation, and the legislation is dominated by two themes: privatisation, and measures to combat crime and immigration which are repressive, xenophobic and illiberal.

This is what one might expect of a Conservative government in a post-Communist, free-market, post-Keynesian world.

The dilemma of the post-Socialists is different. Their basic reflex is to identify with

and protect the less privileged majority of the population. But they can no longer pretend to promote growth or to prevent unemployment, they dare not promise higher taxation, they dare not identify too closely with the trade unions, and they must genuflect to the market.

Nevertheless, according to Mr Blair, "the central question of modern democratic politics is how to provide security during revolutionary change".

In the European context, a Labour government would, no doubt, sign up to the European social charter, from which the Conservative government secured a much-trumpeted opt-out.

Yet if it is true that the "central" question of modern democratic politics is how to provide security during revolutionary change, it is clear that the answer does not lie in the largely symbolic social charter: so there must be another avenue of approach.

This is where the relationship between government and business comes in. With economic power seeping from government to business, it is

not governments but companies which create employment - or unemployment.

US corporations, for example, have been criticised for laying off tens of thousands of workers while paying their chief executives multimillion dollar salaries.

These chief executives may claim that they are prisoners of the free market, that they have no choice. But that is not an answer which is likely to satisfy the leaders of a post-Socialist party.

For all their respect for the market, the post-Socialists believe that chief executives must be forced to choose, and choose differently.

Bosses can no longer be put under pressure by trade unions, so they must be put under pressure either by legislation, or by some kind of corporatist bargain with the state.

Britain and the US are widely regarded as the vanguards of the shareholder society; so it is not surprising that it is in these two countries that we are now beginning to hear talk of alternatives to the shareholder mentality.

At the beginning of this month, Professor John Kay, an adviser to Mr Blair, recommended that public companies should observe five new obligations, including training of employees and stability of employment.

And last month, Mr Robert Reich, the US labor secretary, called for more "corporate responsibility", which he said should be promoted by tax incentives for company health care, pensions, training and profit-sharing.

The problem in all this is that there is a basic asymmetry in Mr Blair's concept of a "stakeholder" society. Many UK citizens think they should be entitled to be considered "stakeholders" because they live in the UK.

But the big corporations do not live anywhere any more, so why does Mr Blair think they will submit to the obligations implied by the stakeholder concept?

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Disciplined ownership instead of downsizing

From Dr Stephen Davis. Sir, Michael Prowse's protests aside, an anxious US public is pressing for government action on downsizing ("Blame consumers", March 18). One market-based response: Make corporate downsizers more accountable to their owners.

shareholders might approve cuts to save a company hit by competition; they might veto job cuts that expose management's failure to mobilise employees. Today, owners have no such opportunity. Yet wholesale redundancies have a profound impact on company value over the long term.

companies from claiming tax benefits from large-scale cuts if they did not first obtain a green light from their owners. Owner oversight could force management to show that wide job cuts are in the best interests of the company. Boards would police their executives to prevent cuts masking poor strategy. The result would be more competitive companies.

more than re-training and re-deploying workers. Missing just this test would represent a powerful new standard of accountability. It could ratify cuts that are necessary and stop those that are not. Critics will call the responsibility an enormous boomer for which investors are unprepared. But no country can any longer afford absentee ownership. The discipline of ownership may earn back the confidence of America's anxious middle class.

Consider this proposal. Any listed corporation above a specific size that seeks to cut more than, say, 15 per cent of its workforce should first get shareholder approval.

Investors could press boards voluntarily to pledge such consultation. Or the government could bar

Stephen Davis, Davis Global Advisors, 57 Hancock St, Newton, Mass, US

Beyond the call of duty

From Ms Andrea Enrico Goldstein. Sir, Your editorial, "Ending trade corruption" (March 8), mentions various ways to clean up corporate ethics generally. One is to increase the number of countries bound by the World Trade Organisation rules on public procurement.

Another which your editorial suggests is for donor countries to require pledges against the use of bribes by companies involved in aid delivery. But surely it would make more sense to include aid (not to

menton defense) contracts in the WTO public procurement rules? Besides, their present exclusion allows governments to continue aid-tying, often diminishing its value to recipient countries.

Ann Weston, vice-president, The North-South Institute, 55 Murray, Suite 200, Ottawa, Canada K1N 5M5

Social responsibility route to improved ethics

From Ms Ann Weston. Sir, Your editorial, "Ending trade corruption" (March 8), mentions various ways to clean up corporate ethics generally. One is to increase the number of countries bound by the World Trade Organisation rules on public procurement.

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Ann Weston, vice-president, The North-South Institute, 55 Murray, Suite 200, Ottawa, Canada K1N 5M5

Over-zealous regulation of trading is unwarranted

From Mr Charles Vincent. Sir, I read with interest the report "Deal reached to swap

regulators - one example being recent evidence of attempted regulation, by the US Commodity Futures Trading Commission, demanding evidence from London brokers trading on the New York Commodity Exchange of their open positions on the London Metals Exchange.

As Mr John Mackenzie of the SIB correctly points out, members of futures exchanges who trade outside of their ordinary positions or exposures, because of the margining requirements in place, would set alarm bells ringing in each jurisdiction and there should therefore be no need to stifle the industry by over-zealous regulation.

Charles Vincent, Winchester Commodities Group, 32 Southgate Street, Winchester, Hampshire, UK

Andrew Adonis

Lessons for the millennium

There may still be the odd person who believes we are a third of the way through the year Seven. The seventh year, that is, since the Berlin wall collapsed and Francis Fukuyama proclaimed that history had ended with the triumph of western democracy and capitalism.

That this idea was ever taken half-seriously testifies to the global influence of American fashion. Fukuyama, remember, had been a senior policy planner at the US State Department. He was all the rage in Washington's political salons. And the west, under US leadership, had won, hadn't it?

After hubris, nemesis. Rwanda. Yugoslavia. Somalia. This year we have had the Jerusalem bus massacres; warlike tension between China and Taiwan; and between Turkey and Greece, the latter a member of both the European Union and Nato; and the repudiation by the Russian parliament of the treaty dissolving the Soviet Union. An imminent presidential election may put Communists back in the Kremlin.

History is alive and well. Evidently, then, that the voice of nemesis should be. Conor Cruise O'Brien, through his latest book *On the Eve of the Millennium*. Fitting, because O'Brien's outlook derives largely from his adoration of Edmund Burke, the 18th-century Anglo-Irish politician and polemicist.

Until 1972, guests could only find one fault with The Berkeley, it wasn't near enough to Knightsbridge. So we moved it.

Advertisement for The Berkeley hotel featuring a large illustration of a ship at sea with the word 'HISTORY' on its side. Text includes: 'Luxury Breaks at The Berkeley range from £110 per person sharing a room (including breakfast). For further details call 01-71-235 8200 or fax 0171-235 4330. For details of Luxury Breaks at The Berkeley's sister hotels: Claridge's and The Savoy in London, and The Lygon Arms in the Cotswolds, call 01-71-8-21 8080. Members of The Beddingfields of the World.'



Tony Blair; tantalising concept of stakeholder society

FINANCIAL TIMES Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 3700 Wednesday March 20 1996

Arms and the Bosnians

The US and its allies are once more bickering over Bosnia. The latest transatlantic argument has been played down in public, but privately each side is accusing the other of naivety and bad faith. In European eyes, last week's US-sponsored conference in Ankara on military aid to Bosnia sent an unhelpful, even provocative, signal to the region.

The US has sound legal arguments, and some moral force, on its side when it says that Bosnia, as a sovereign state, must be allowed to defend itself like any other government. In its four miserable years of life, the Bosnian government has paid an appalling price for its lack of arms.

White Knight

After two years of discussion on reforming building society law, Mrs Angela Knight, a Treasury minister, has suddenly chosen to ride to the rescue of building societies threatened by hostile takeover.

Mrs Knight has suggested that building societies which announce plans to merge should be given up to one year's protection from hostile takeover bids in order to prevent their bids being disrupted.

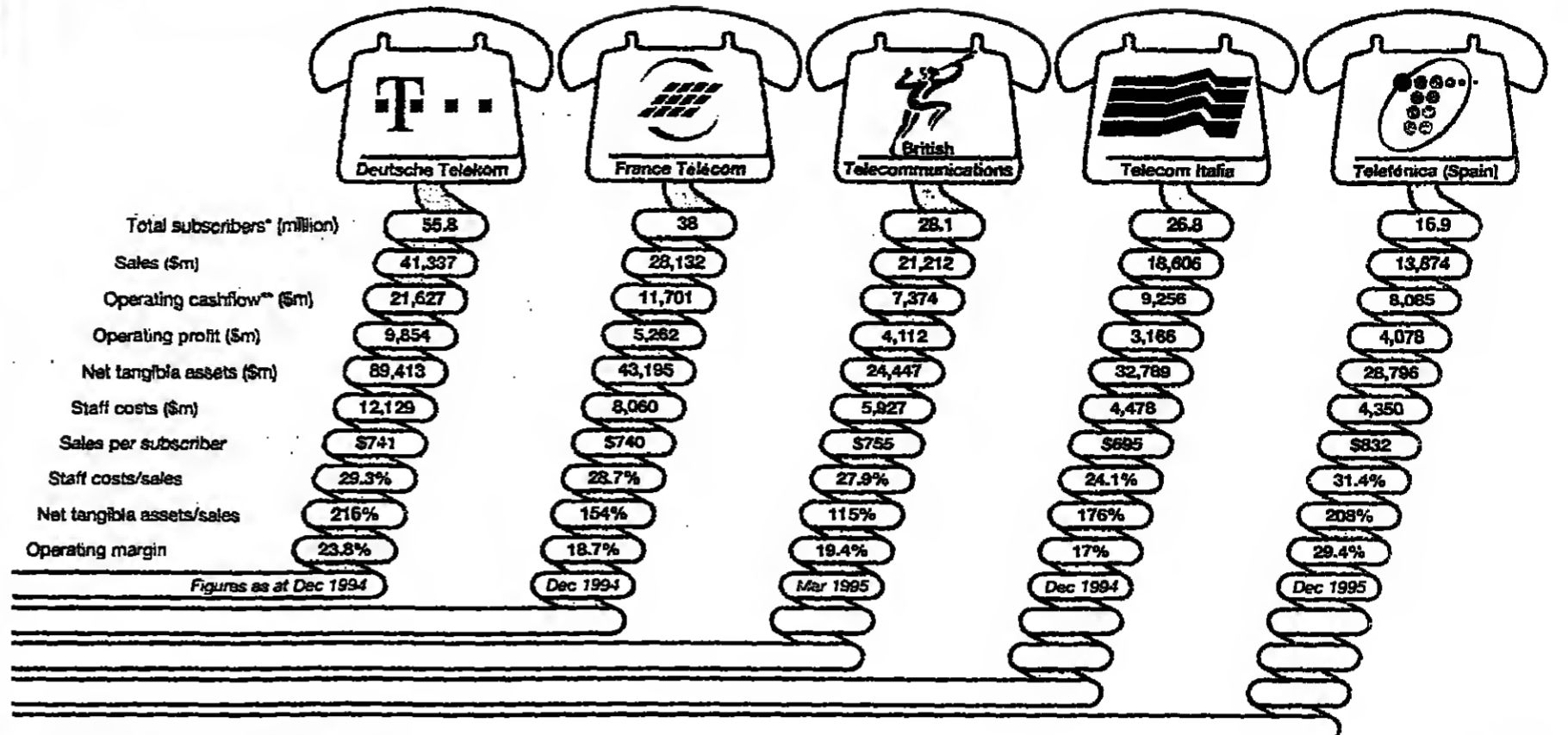
Provincial were disrupted when Abbey National revealed its plan to bid for N&P. Nonetheless, the timing and substance of the proposal are curious. It is late in the day to introduce such a radical change.

Relieving debt

After much bluffing and puffing, the staffs of the World Bank and International Monetary Fund have come up with a joint approach to the vitally important but complex question of how to assist heavily indebted poor countries.

ent, eight countries are thought likely to meet these criteria, though another 12 might do so. By taking a country-by-country approach, insisting on good performance by borrowers, calling for particularly generous treatment by bilateral creditors and stressing the need to lower the present value of the claims of multilateral agencies, these proposals are on the correct lines.

Deutsche Telekom: a calling card



Muffled ring of confidence Germany's largest share offer presents Deutsche Telekom with a complex challenge, say Michael Lindemann and Andrew Fisher

Mr Ron Sommer knew he was taking on a tough job when he became head of Deutsche Telekom, but he is only now finding out just how tough. As he said recently, running the group - the world's third largest telecoms operator in terms of sales - and guiding it through its partial privatisation set for later this year is more than "just a job".

Then, earlier this month, Mr Sommer's hopes of creating a single consortium to develop and market digital television in Germany were dashed after Mr Leo Kirch, the Bavarian media mogul, and Vebs, the industrial conglomerate, pulled out of an alliance he had painstakingly tried to put together.

The campaign proper will start next month when several million German households will be bombarded with information, explaining why they should think about buying a stake, however small. Although German investors will be wooed the most avidly, the company will seek a listing in the US.

included in the Dax index of German blue chip stocks, institutional investors are likely to need less convincing than private investors. But private investors must also be persuaded to buy to ensure the issue's success.

in spite of the anger it provoked in January, the new tariff structure is generally welcomed by the banks. But the company's charges remain complicated, and long-distance and international calls cost more than in many other European countries.

O B S E R V E R

Bob Lutz's albatross

Chrysler Corporation shares may be flying higher and higher. But Bob Lutz, Chrysler's larger than life president, has just hit the ground with an albatross bang. Last Sunday he pranged his Czech jet fighter, his second crash in five years.

Limited options

is the derivatives industry going ex-growth? Just a thought after the hair-shirt aura at last week's annual International Futures Industry Conference, held as usual at the otherwise luxurious beach resort of Boca Raton, Florida.

Winnie takes all

It was a slumped-down, power-dressed Winnie Mandela who appeared in court this week to hear her husband granted a divorce after describing himself as "the loneliest man during the period I stayed with her" after his release from prison.

Own merits

Does a chairman emeritus carry more clout than a life president? The question arises because Lord Weinstock, 71, has decided to take the title now that he is standing down from the board of the UK's General Electric Company.

100 years ago

Progressive gold mining For progressive geography and gold mining go to Perth in Western Australia. The correspondent of Reuters's agency out there solemnly informs us that a rich discovery of gold is reported to have been made in the Darling Range, "40 miles west" of that city.

50 years ago

Mexican railways Bondholders of the defaulting National Railways of Mexico backed an indifferent horse. They will probably consider themselves fortunate to have the opportunity of saving something from the wreckage of their claims.

Keystroke uppercot

What does an economist have in common with a computer? You have to punch information into both before they are any use.

FINANCIAL TIMES COMPANIES & MARKETS

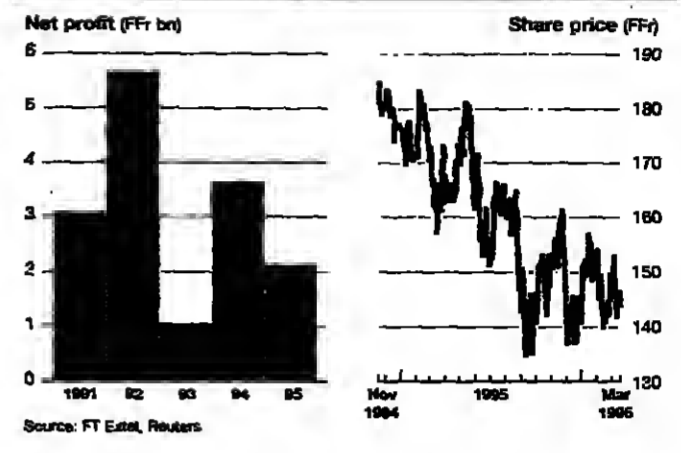
Wednesday March 20 1996

Further dent put in French hopes of selling second tranche of vehicles group

Renault falls 41% as cars swing into loss

By David Buchanan in Paris and Helig Simonian in London

Renault, the French vehicles group, yesterday blamed its 41 per cent fall in net profits... The 1995 decline was caused by poor results in the cars division...



A turn in the wrong direction

MTV steps up the beat of global expansion

By Raymond Snoddy in London

MTV, the satellite television music company, yesterday announced it was investing "tens of millions of dollars" in an expansion of its international operations in Europe, Asia and Latin America.

LEGAL DEFINITIONS Row & Maw LAWYERS FOR BUSINESS

IN BRIEF Further gains at Goldman Sachs

Michelin more than doubles net income

Coming looks at options for growth

Profits fall at Brazilian steel group

Japan's second-tier brokers cut forecasts

St George Bank bids for Metway

Rezam warns of difficult markets

Nigerian sales help Paterson Zoehnsis

Companies in this issue

Market Statistics Chief price changes yesterday

Kobe Steel to become a power generator

By Emiko Terazono in Tokyo

Deregulation is intended to help meet a rapid rise in demand. The government also wants to see lower electricity prices...

Kobe Steel, the Japanese steel manufacturer, yesterday announced plans to enter the power generation business.

company to announce a move into generation - in western Japan. Some trading houses have also indicated their intention to do so.

blast furnaces currently lying idle at its steel mill in Kobe. The company plans to have two 700,000 kW power plants supplying Kansai Electric Power with electricity by 2002.

Lucas to strengthen alliance with Sumitomo

By Tim Bart in London

Lucas Industries, the UK engineering group, yesterday named Sumitomo of Japan as its preferred partner in its move to become one of the world's 10 largest automotive component manufacturers.

advantage of the consolidation among international component suppliers.

is a better way of getting there than takeovers," he said.

Most industry analysts welcomed the improvement, achieved against a background of falling car production in both Europe and the US.



George Simpson: need to work harder to extend relationship

The actuary who was saved by the bell

By Barry Riley

It was, remarked Malcolm Murray, president of the Faculty of Actuaries, a better boxing match than Tyson versus Bruno.

are obsessed with market prices and the volatility of those prices as the basis of theories of risk and return.

would incorporate the possibility of chaotic behaviour by markets. Nobody would accuse Mr Clarkson, a noted mathematician, of being stuck in the era of compound interest.

Expertise in Sterling Bonds

Advertisement for NatWest Markets offering various bond products like Cable & Wireless, PMJ, GHQB LIMITED, etc.

Vertical sidebar advertisement for SENIOR FLEXONICS and other services.

COMPANIES AND FINANCE: EUROPE

Bayer pledges to raise profits by 10% this year

By Wolfgang Münchau in Leverkusen

Bayer, the German chemicals and pharmaceuticals group, yesterday pledged to improve its record 1995 pre-tax profits by another 10 per cent this year, in one of the most upbeat statements recently made by a German company.

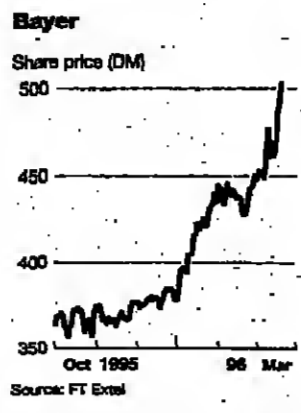
But Mr Manfred Schneider, chairman, warned that there might be more cost cutting and job losses, in spite of a 27 per cent increase in pre-tax earnings to DM4.19bn (\$2.84bn) last year.

He said: "We realise that many people see this as a contradiction in view of our good overall performance. But we should not allow the

undoubtedly pleasing earnings trend to obscure the fact that we are under pressure in Germany."

Speaking at the company's annual news conference, Mr Schneider said Bayer would need to improve productivity, which was below that of its competitors, and to reduce the ratio of personnel costs to sales.

"Let me say unequivocally that we value Germany as a location for chemical production. But if our German operations are to remain competitive we must stop costs from rising any further and actually start to reduce them again, otherwise no end to the downward adjustment is in sight."



Mr Schneider's warning was intended as a signal to IG Chemie, the chemical workers union, not to treat the strong

results of Bayer and other German chemical companies as an excuse to press for higher wages in the current wage round.

He said that while Bayer was among the most profitable of the German chemical companies, many smaller companies in the sector were suffering as a result of the economic downturn.

Mr Schneider refused to be drawn on the current rumours of mergers and demergers in the chemical and pharmaceutical industries.

He said that Bayer regarded innovative capability - rather than size - as the most important factor in the pharmaceutical business.

The most innovative compa-

nies in the industry were strong enough "to go their own way", he said.

Bayer's net profits moved ahead by 20 per cent in 1995, to DM2.42bn. The company announced last week that the dividend would be raised from DM18 to DM15 per share.

The 3 per cent rise in sales to DM44.6bn was made up of a 6 per cent increase in volumes and a 3 per cent in local prices, which were partly offset by a 6 per cent fall caused by currency factors which depressed sales by a total of DM2.79bn.

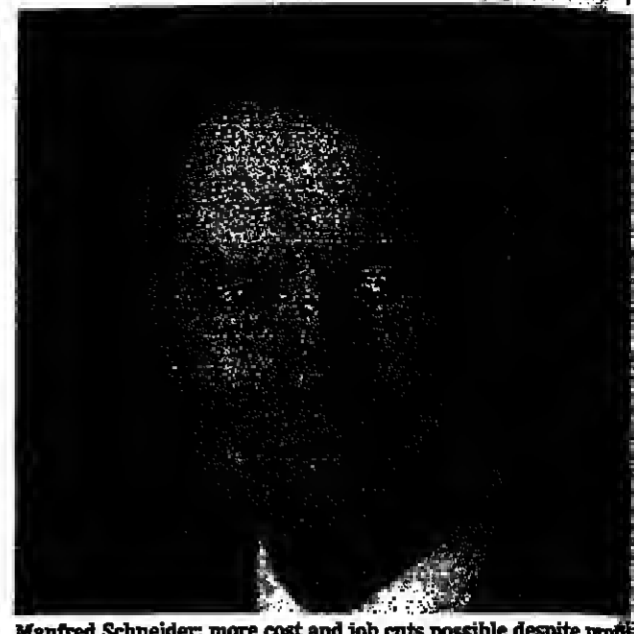
Bayer profited heavily from a 6 per cent sales increase in Europe, with a particularly strong performance in Germany, France, Benelux and Scandinavia.

North American sales were down 3 per cent, although they were 9 per cent higher in local currency terms.

Among the business activities, polymers achieved the strongest sales growth with 9 per cent, followed by industrial products and agricultural products with 6 per cent rises. The healthcare division reported a 1 per cent fall in sales, although operating results were up 10 per cent.

Mr Schneider said: "We have set ourselves what is clearly an ambitious goal, to raise group sales by 6 per cent and pre-tax income by 10 per cent compared with 1995."

During the first two months of this year, he said, Bayer was "significantly ahead" of target.



Manfred Schneider: more cost and job cuts possible despite profit

New settlement system for Dutch SE

By George Graham, Banking Correspondent

The Amsterdam Stock Exchange will next week introduce a settlement system in which delivery of securities takes place at the same time as the corresponding cash payment.

The new system reduces settlement risk by eliminating the possibility of handing over shares or bonds for which pay-

ment has not been made. But the system will also provide a secure settlement option for foreign equity dealers trading on the Amsterdam exchange as "remote" members.

The Amsterdam Stock Exchange has taken advantage of the European Union's investment services directive, implemented at the start of this year, by seeking to attract remote members, who can trade Dutch stocks on the cen-

tral market without a physical presence in the Netherlands. Delivery versus payment is becoming widespread as banks and brokers try to reduce the risks in settling transactions.

The transfer of shares from paper certificates to electronic registries has made it possible to ensure that transactions can be settled in real time, rather than being held up for days.

In the Amsterdam Stock Exchange system, known as

Trade for Trade, dealers will deliver securities through the Netherlands Central Institute for Giral Securities Traffic, and cash payments will be made in guilders through the Dutch central bank. The existing netting system will continue to be offered.

The Great system, to be introduced in London this summer, will allow delivery versus payment for the UK equity market.

ABM Amro to acquire Comerica arm

By Ronald van de Krol in Amsterdam

ABN Amro, the big Dutch bank, is to acquire Comerica Bank-Illinois for \$190m in cash, further strengthening its position in and around Chicago.

The Dutch bank, which has carved out a second "home" market in the Chicago area through a series of acquisitions since 1979, will be buying Comerica from its parent, Detroit-

based Comerica Inc. which operates banks in Michigan, California, Texas, Florida and Illinois.

ABN Amro said Comerica Bank-Illinois, with assets of \$1.4bn, would be renamed LaSalle Bank Illinois and given stand-alone status within the group's existing subsidiary, LaSalle National Corp.

The latest acquisition will raise LaSalle's banking network in and around Chicago

by 25 branches to more than 125 branches.

The deal will also increase ABN Amro's US workforce in the Chicago area by 670 to almost 6,750.

ABN Amro is frequently described as the largest foreign bank in the US, with total assets of \$50bn and a workforce of 10,000.

"With this acquisition, we gain several new markets while growing both our retail

and commercial banking operations," said Mr Scott Heilmann, vice-chairman of LaSalle National Corp.

The intended purchase, expected to be completed in the third quarter, follows ABN Amro's announcement in September that it would acquire Chicago Corp, a leading regional investment and brokerage firm with assets of \$500m. That deal is expected to close later this year.

All of these securities having been sold, this announcement appears as a matter of record only.

March 1996

9,705,737 Shares



Sun International Hotels Limited

Ordinary Shares

1,690,000 Shares

The above shares were offered outside the United States and Canada by the undersigned.

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Bear, Stearns International Limited

Lazard Capital Markets

Oppenheimer International Ltd.

Cazenove & Co.
ING Barings

Deutsche Morgan Grenfell

Indosuez Capital
Paribas Capital Markets

8,015,737 Shares

The above shares were offered in the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette
Securities Corporation

Bear, Stearns & Co. Inc.

Lazard Frères & Co. LLC

Oppenheimer & Co., Inc.

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| Deutsche Morgan Grenfell | Dillon, Read & Co. Inc. | A.G. Edwards & Sons, Inc. | |
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| Montgomery Securities | Morgan Stanley & Co.
Incorporated | Salomon Brothers Inc | |
| Smith Barney Inc. | UBS Securities LLC | S.G. Warburg & Co. Inc. | |
| Advest, Inc. | JW Charles Securities, Inc. | Crowell, Weedon & Co. | Furman Selz LLC |
| Gruntal & Co., Incorporated | Interstate/Johnson Lane
Corporation | Janney Montgomery Scott Inc. | |
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Incorporated | McDonald & Company
Securities, Inc. | The Ohio Company | |
| Parker/Hunter
Incorporated | | Pennsylvania Merchant Group Ltd | |
| Raymond James & Associates, Inc. | | Rodman & Renshaw, Inc. | |
| Sands Brothers & Co., Ltd. | The Seidler Companies
Incorporated | Tucker Anthony
Incorporated | |

All of these securities having been sold, this announcement appears as a matter of record only.

March 1996

7,475,000 Shares



Berg Electronics Corp.

Common Stock

1,300,000 Shares

The above shares were offered outside the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette
Securities Corporation

Merrill Lynch International Limited

Morgan Stanley & Co.
International

ABN AMRO Hoare Govett
Deutsche Morgan Grenfell

Cazenove & Co.
Indosuez Capital

Credit Lyonnais Securities
Paribas Capital Markets

6,175,000 Shares

The above shares were offered in the United States and Canada by the undersigned.

Donaldson, Lufkin & Jenrette
Securities Corporation

Merrill Lynch & Co.

Morgan Stanley & Co.
Incorporated

- | | | |
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| Montgomery Securities | Oppenheimer & Co., Inc. | PaineWebber Incorporated |
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WEDNESDAY MARCH 20 1996

FINANCIAL TIMES WEDNESDAY MARCH 20 1996

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COMPANIES AND FINANCE: EUROPE

NEWS DIGEST

Comerica arm

UK brewer to merge Czech units

Koninklijke Pakhoed ahead

Lufthansa eyes Shanghai deal

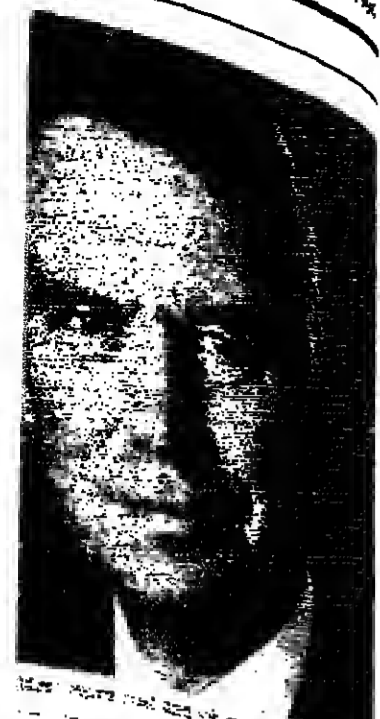
Fiat insurance arm in L580bn buy

Norway sells UBN holding

Holdings of Kemira Oy shares are summoned to attend the company's Annual General Meeting, to be held on Wednesday April 10, 1996 beginning at 14.00 hours at Helsinki Fair Centre.

Shareholders wishing to attend the Annual General Meeting must be registered in the list of the company's shareholders kept by the Central Share Register of Finland no later than March 29, 1996 and must inform the Company Secretary by 16 o'clock on April 9, 1996 at the latest of their intention to participate in the meeting.

The official summons to the Annual General Meeting has been published in Kaupalehti on March 20, 1996. For further information please contact Kemira Oy, Group Communications, fax +358 0 132 1627.



Georg Fischer wary despite 12% growth

Georg Fischer, the Swiss foundries and machine tools group, reported a 12 per cent rise in 1995 net income to SF765m (\$84.7m) on sales up 6 per cent to SF2.23bn. All divisions contributed to the result, which would have been significantly higher but for the strengthening of the Swiss franc, especially in the second half.

The directors are recommending a 16.6 per cent rise in dividends. For the current year, they cautioned about the uncertain economic outlook in Germany - which accounts for one-third of Georg Fischer's sales - but nevertheless forecast "a good year". Orders on hand at the end of the year stood at SF965m, 14 per cent higher than a year earlier.

Sales in the motor components division were up 17 per cent to SF763m while those in the piping systems division advanced 4 per cent to SF565m. The machine tools division raised its sales by 14 per cent to SF745m while the plant engineering side suffered a 12 per cent fall in sales to SF7458m.

Im Rodger, Zurich

Exports boost ABB Czech arm

The Czech operations of the international engineering group ABB reported a near-doubling of revenues and increased pre-tax profits last year after a sharp increase in exports and completion of existing orders. ABB Czech Republic, which employs more than 6,700 people, mainly in the eastern city of Brno, said revenues rose from Kc4.1bn in 1994 to more than Kc10.7bn (\$294m), while profits rose from Kc317m to Kc495m. Orders advanced from Kc3.7bn to Kc10.2bn.

Mr Erik Fougner, ABB president and country manager for the Czech Republic, said exports in 1995 amounted to 24 per cent of orders and the company's target was to increase this to 40 per cent. The company mainly exports turbines and power equipment, principally to Germany, Slovakia and Poland, and is a leading supplier of equipment to the domestic power industry, which is being modernised.

ABB has spent Kc1.6bn on its Czech operations in the past two years, mainly on machinery and buildings. Mr Fougner indicated that much of the streamlining and modernisation of its operations had been completed. He said a prime goal was to increase revenues per employee, which has doubled in the past two years to Kc1.2m per worker. "The ABB group average is four times higher," Mr Fougner said.

Vincens Boland, Prague

UK brewer to merge Czech units

Bass, the UK brewer, is to merge its three brewing subsidiaries in the Czech Republic this year to streamline its operations in the country. The three, Pražské Pivovary (Prague Breweries), Ostravar and Vratslavice, will be brought under the control of a single management team.

The three breweries "are working closer together and [a merger] seems the right way to go", Mr Mervyn Childs, Bass country manager for the Czech Republic, said yesterday. Bass owns 46 per cent of Prague Breweries, the biggest of the three, 51 per cent of Ostravar and 78 per cent of Vratslavice. Shareholders will be asked to approve the merger at a meeting in June.

Bass bought into Prague Breweries, the third biggest Czech brewery, in 1993 and will take its stake to 51 per cent by the end of the year. It acquired the others, which are both regional breweries, last year. Prague Breweries yesterday reported a 10-fold increase in operating profit to Kc11.7m (\$41m) for last year, against Kc10.4m in 1994. Sales increased to Kc1.4bn from Kc1.18bn. Mr Stanislav Procházka, chief executive, said Prague Breweries had about a 10 per cent share of the domestic market. Its biggest rivals, Radegast and Pilsensky Prazdroj, which makes Pilsner Urquell, have about 18 per cent each.

Vincens Boland, Prague

Koninklijke Pakhoed ahead

Koninklijke Pakhoed, the Dutch shipping and tank storage group, yesterday reported higher profits and tanked a further advance this year in some sectors. Net profit advanced from F182.7m in 1994 to F1121.5m (\$73.7m) in 1995, on turnover ahead from F1.137bn to F12.07bn.

The group expects its chemicals-related businesses - storage, distribution and logistics - to surpass the high level of 1995 results. Pakhoed did not give a specific forecast for 1996 overall results, but said a higher net result was anticipated from shipping in 1996, partly because of an advantageous change in the Dutch tax system.

"The declining trend in results from oil-storage in Rotterdam has continued in the initial months of 1996," Pakhoed said, adding the recovery in spot and futures markets were an important potential source of future profit improvement. Port and transport activities were expected to see a modest improvement in results during 1996, mainly as a result of a recovery by Furness.

Reuter, Rotterdam

Lufthansa eyes Shanghai deal

Lufthansa Cargo is in talks with China Eastern, the Chinese airline, over a potential cargo co-operation agreement. Lufthansa Cargo said the airlines were considering a joint freighter service between Germany and Shanghai. Lufthansa already operates a joint weekly service with Air China to Shanghai using a Boeing 747 freighter. Lufthansa pointed out, however, that China Eastern was the leading carrier at Shanghai Airport.

Reuter, Frankfurt

Fiat insurance arm in L580bn buy

Torco, Fiat's insurance arm, has bought the insurance company Nuova Tirrenia, for about L580bn (\$71m). Nuova Tirrenia had been controlled by the Italian Treasury through its Consap unit. The two companies are expected to conclude the deal today.

Reuter, Milan

Norway sells UBN holding

The Norwegian government has sold its 10m primary capital certificates in Union Bank of Norway, the country's largest savings bank, at a price of Nkr176 each. The FCCs represented 40 per cent of UBN's share capital. About 48 per cent of the offer, which was between two and three times oversubscribed, was placed with Norwegian investors. The remainder was sold to international institutional investors.

Antonia Sharpe, London

Michelin lifts income sharply despite cost increases

By Andrew Jack in Paris

Michelin, the world's largest tyre manufacturer, more than doubled net income to FF2.8bn (\$553m) last year, from FF1.3bn in 1994. The rise came in spite of cost increases and a slowdown in several of its important markets.

The group reported exceptional gains of FF72m last year, against charges of FF541m in 1994. Turnover declined almost 2 per cent, although the group said it had increased volumes by 0.6 per cent and that sales were up 6.2 per cent on a comparable basis and with constant exchange rates. Trading profit rose 20 per cent to FF5.7bn.

The group said tyre markets

grew rapidly in the first half of 1995, when it had difficulty meeting demand. However, it added that the market slackened later in the year, particularly in North America.

Michelin predicted "modest growth" in the tyre market over the next two years in Europe, and notably in North America, which it said should help it to reduce costs and debt, and increase profitability.

It said it had increased average sales prices by 5.6 per cent during the year, which reflected a sharp rise in raw materials prices. It also stressed the success of its higher performance tyres, including the new "energy" range of tyres which it claims help reduce fuel consumption significantly.

The group cut total debt by



Michelin men: François (right) and Edouard Michelin were retained as managing partners after an internal reorganisation

FF2.1bn in the year, which helped reduce financing charges by 5 per cent to FF1.7bn.

It said it was proposing a FF2.75 a share dividend for its B shares and FF2.85 for A shares.

For the first time, the group is offering investors the chance to take their dividend in shares rather than in cash.

During the year, the group made a \$30m one-off payment to cover under-funded pension liabilities in its North

American operations.

Michelin recorded net investment of FF3.1bn in 1995, which included FF3557m to acquire 52 per cent control of Stomil Olsztyn, the Polish tyre manufacturer which will be consolidated from this year.

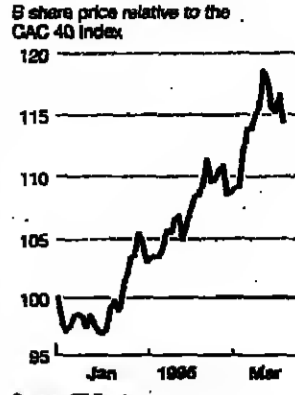
It added that it planned to spend about FF4bn in 1996, reflecting developments such as its highly-flexible, automated manufacturing facilities.

It said its total workforce fell from 117,000 in 1994 to 114,000 last year, and that the downward trend was likely to continue.

Earlier this year, Michelin announced an important internal reorganisation, which retained Mr Edouard Michelin, Mr François Michelin and Mr René Zingraff as managing

Michelin

B share price relative to the CAC 40 index



Source: FT Data

partners, restructured its divisions and created a nine-member "executive council".

Improved overseas performance helps Canal Plus

By Andrew Jack

Canal Plus, the French pay television operator which recently signed a deal to develop a satellite service in Germany with Mr Rupert Murdoch, Bertelsmann and Havas, yesterday reported 1995 net income up 6.4 per cent to FF686m (\$131.9m).

It said "significantly improved" results from its foreign pay-TV channels offset the costs of developing new services, including Canal Plus Poland,

Vox's expansion outside of France and MDO in Monte Carlo. Canal Plus did not disclose the losses of associated companies, but said the level was similar to that of 1994.

Consolidated revenues were ahead 6.2 per cent to FF10.2bn. These exclude revenues from its foreign pay-TV channels, such as Spain's, which are accounted for using the equity method. The group said its total European subscriber base now stood at nearly 7m.

The group predicted a 6 per cent increase in revenues during 1996, driven largely by the growth in subscribers for Canal Plus and for Canal-satellite, which is developing digital television.

It said foreign channels should more than halve their aggregate losses, and Le Studio Canal Plus show "significantly" improved results during the year, giving it net income comparable to 1995's figures.

Overall group operating income

rose 2.1 per cent to FF1.47bn, while there were "large" operating losses from its Le Studio Canal Plus activities stemming from co-productions in the US. Income from continuing operations rose 5.4 per cent.

Canal Plus said the growth in operating income, which it partly attributed to the containment of operating expenses, came in spite of the costs of replacing old-style decoders, which were vulnerable to piracy.

After a capital gain of FF157m,

generated by the sale of shares in some of its thematic channels, the company recorded net exceptional charges of FF366m, against FF94m last time for restructuring provisions. Consolidated cash flow was FF2.7bn, which it said "amply covered" FF2.5bn consolidated capital expenditure during the year. The board plans to recommend a dividend of FF20 a share, up by one-third. Shareholders will have the option of taking the payment in shares.

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COMPANIES AND FINANCE: THE AMERICAS

NEWS DIGEST

Petro-Canada opens up to foreigners

Foreign investors will be able to raise their combined stake in Petro-Canada from a maximum of 25 per cent to 50 per cent...

The Canadian government, which set up Petro-Canada in the mid-1970s as a wholly-owned Crown corporation, has gradually reduced its stake in recent years to the current 20 per cent...

Ottawa's attitude towards foreign ownership of privatised companies has mellowed in recent years. Canadian National Railway was spun off last December with no limit on foreign shareholdings.

Holderbank in Venezuela move

Holderbank, the Swiss construction materials company, has bought a 50 per cent share in Venezuela's Consolidada de Cementos...

KLM 'considering alliance'

KLM Royal Dutch Airlines is 'seriously considering' an alliance with AMR Corp unit American Airlines and Iberia...

Internet co-ordinator for Apple

Apple Computer is to appoint Mr Larry Tesler, its chief scientist, to co-ordinate all of Apple's development of Internet-specific products and its overall Internet strategy...

Job losses at Cirrus Logic

Cirrus Logic, the US computer chip maker, is to cut its staff by 3,500, or 13 per cent, as part of a restructuring aimed at sharpening its focus on key new products...

UAL shares boosted by upbeat forecast

By Richard Tomkins in New York

Shares in UAL, the holding company for United Airlines, the biggest US carrier, jumped 88% to \$212.14 in early trading yesterday after the company predicted that earnings would exceed analysts' best estimates of \$2.05 a share for the first quarter to March.

Separately, it emerged that UAL had swapped lawsuits with BAE Automated Systems, the UK-owned maker of the baggage handling system at Denver International Airport.

UAL's profits prediction put likely earnings far in excess of analysts' mean estimates. The average of forecasts reported to First Call, a stock market research service, was \$1.58.

The first quarter is usually a weak one for US airlines. A year earlier, UAL made net profits of just \$3m and reported a loss of \$1.05 a share after the payment of preferred dividends. That was the first time since 1989 that the company had reported a first-quarter net profit.

UAL said costs would be slightly higher in the latest quarter because of higher fuel prices and the costs associated with earning improved revenues. But profits would be up because passenger traffic and yields - in effect, the average fare achieved - were stronger than expected.

The forecast was interpreted as an indication that the recent recovery in the US airline industry had further to go. It gave a lift to other US airline stocks: AMR, parent of American Airlines, the second-biggest US carrier, was up 51% at \$92.14.

Meanwhile United Airlines, which is the main user of the newly-opened Denver International Airport, confirmed it had filed a lawsuit seeking to take over the baggage handling system from the Dallas-based BAE, part of the UK's BTR conglomerate. It said the system needed more work to make it function properly.

In turn, BAE is understood to have filed a lawsuit claiming \$137.5m in damages from United Airlines. The sum includes an unpaid final payment of \$17.5m and compensation for work that BAE claims to have done at United's insistence although it was outside the terms of the contract.

Malfunctions in the baggage handling system caused the new Denver International Airport to open a year-and-a-half later than intended.

Goldman Sachs ahead sharply in first quarter

By Maggie Urry in New York

Goldman Sachs, the US investment bank that remains a private partnership, recorded a further strong increase in profits in the first quarter to end-February.

Pre-tax profits were \$566m, up from \$437m in the fourth quarter last year, and well ahead of the \$180m earned in the first quarter last time, a period when investment banks were still suffering from the dismal markets of 1994.

Although figures mark the fifth consecutive quarterly increase in profit, the recovery has still not returned Goldman to peak earnings made in 1993.

Goldman's results are likely to be underscored by figures today from Lehman Brothers and next week from Morgan Stanley, which, like Goldman, end their financial years in November. Other Wall Street firms will report in April on quarters ending this month.

The rising stock market and the high level of mergers and acquisition activity and of underwritings will have helped buoy investment banks' profits in the early part of this year. However, the falling US bond market will have dampened profits from fixed-income sales

and trading, and may point to a worse trading environment as 1996 progresses.

Goldman is understood to have fared better than many when the bond market fell sharply on March 8, following a surge in employment figures.

In the quarter, Goldman's revenues net of interest were \$1.46bn, against \$906m last time, with expenses rising 20 per cent from \$746m to \$859m.

Earlier this year Goldman's 174 partners decided against taking the firm public and seeking fresh outside capital.

The strength of profits in recent quarters and a more controlled attitude to risk-taking by the firm, appeared to encourage partners' conviction that Goldman would continue to prosper with its existing capital structure. Lex, Page 14

Profits slide at big Brazilian steel group

By Jonathan Wheatley in São Paulo

Companhia Siderurgica Nacional, Brazil's biggest steel mill, saw profits fall sharply in 1995, although analysts welcomed the result as positive amid within expectations.

Net profit was R\$107.3m (US\$110.7m), down from R\$159.7m, with earnings per 1,000 shares down from R\$2.08 to R\$1.38. Turnover fell from R\$2.77bn to R\$2.55bn.

CSN said the fall in profits resulted from two main factors. One was an agreement reached with employees to end a series of benefits, including the payment of a "14th" monthly salary in addition to the extra month's pay received by most Brazilians at the end of each year. One-off payments under this agreement cost the company about R\$30m.

Profits also suffered from a fall in financial earnings after July 1994 following the introduction of the government's economic reform plan and the subsequent drop in inflation. Mr Paulo Renato Marques, of CSN's market relations department, said results were also affected by a general slowdown in the economy in the second half of the year.

"Growth in the first half of 1995 was equivalent to an annual rate of 10 per cent," he said. "In the second half, the government slowed the rate of growth and there was a big reduction in demand across the economy."

Mr Marques said CSN spent about R\$200m during 1995, part of investments of R\$1.1bn from 1994-98 on improvements in quality and productivity.

Output per worker was 326 tonnes in 1995, up from 314 tonnes in 1994. This is lower than many Brazilian steel mills, but Mr Marques said direct comparisons are not realistic because CSN operates its own iron ore mines and produces a large proportion of value-added products, such as tin plate.

He predicted better results in 1996 as productivity increases further. CSN also expects to record a one-off gain of R\$110m this year following a downward revaluation of its fixed assets, resulting in lower depreciation costs.

Mr Luciano Snel, an industry analyst at Rio de Janeiro investment bank Icard, said CSN's results were "very good, within the range expected by the market."

"At the end of last year a lot of analysts thought the steel industry had been hit harder by the economic slowdown than in fact it had. Many companies, including CSN, have reported profits that are at least as good as expected."

Corning decides it's not business as usual

The US group's new chairman is looking at every option to get it back to growth

COMPANY PROFILE: Corning

Share price relative to the S&P 500 Composite: 160, 140, 120, 100, 80, 60, 1991 92 93 94 95

Market capitalisation: \$8.07bn. Main listing: New York. Historic P/E: n/a. Gross yield: 2.2%. EPS: -\$0.23. Current share price: \$35.19

Net sales (\$m): 1991 92 93 94 95. Net profit/loss (\$m): 1991 92 93 94 95

Source: Company accounts, Standard & Poor's, December

Corning, the US manufacturer whose products range from optical fibre to Pyrex cookware, has a long history of innovation and a commanding position in several of its markets. Its shares have performed badly for years. From a peak at the end of 1991, they have halved relative to the market.

Mr Roger Ackerman, Corning's new chairman and chief executive, prefers to look at it another way. The shares, he says, are selling on about 17-18 times earnings. This is the same multiple as five years ago, and above the market average. The real problem is lack of earnings.

He attributes this to two factors. Until recently, one of Corning's best businesses was a joint venture, Dow Corning, contributing about 20 per cent of net profits.

In the past, Dow Corning made silicon breast implants. Last year, faced with crippling damages as a result, it took refuge in Chapter 11 bankruptcy.

If that was due partly to bad luck, the other blow to earnings comes down to management failure. In branching out from its original business as a glass manufacturer, Corning spent years building up one of the biggest chains of blood testing laboratories in the US.

In the prevailing squeeze on US healthcare costs, that business has proved acutely vulnerable. Between 1993 and 1995, acquisitions pushed sales up 55 per cent to just over \$2bn. Profits, before restructuring costs, fell by a third.

With group profits going nowhere, someone had to pay the price. Last month, Mr Jamie Houghton, chairman and chief executive and great grandson of the founder, announced he was taking early

retirement. With Mr Ackerman's accession, control is passing from the founding family after 145 years.

Mr Ackerman - a long-term Corning employee - made his first move last week. The group's four divisions are to be merged into two: a communications division, consisting of optical fibres and associated high-tech manufacturing, and the rest.

The second division, known formally as Corning Technologies, is a rag-bag contributing more than two-thirds of group sales and only 40 per cent of profits. Besides the struggling laboratory business, it contains the cookware and dinnerware division, which made only \$10m profit last year on \$674m of sales. It takes in a fairly healthy business making ceramic honeycombs for catalytic converters in cars.

The bulk of this second division is actually or potentially for sale. There have been rumours that the laboratory business will go to one of its biggest rivals, SmithKline Beecham (neither group will comment). The cookware and dinnerware business could be next.

Laboratory testing, Mr Ackerman says, is no longer a growth business. "And we're a growth company, so we've got to do something dramatically different. We've had investment bankers in for the past two months, and we're very actively pursuing every imaginable alternative, other than business as usual."

A decision will have to be made, he says, by the end of the second quarter. With the cookware business, there is slightly less hurry.

"That business isn't non-material, but it's less so than it was 10 years ago. We've invested untold millions in restructuring it, and we've eliminated 50 per cent of the overhead. It should be capable of \$50m more in pre-tax profit in the next two years. If I don't see that \$50m upside clearly by the mid-year, I'll sell it. There are willing buyers out there."

If both sales were to go through, the effect on Corning would be radical. Between them, these divisions account for just over half group revenues. How would the new, slimmer Corning fare?

To begin with, it would be free of debt. Net debt now stands at \$1.3bn, and the laboratory business alone could fetch up to \$1bn. And, Mr Ackerman claims, the business excluding laboratory testing and cookware is "an incredible growth machine", which increased its net earnings from \$140m in 1993 to \$310m last year.

Would the new Corning be open to a hostile bid? Probably not.

About 20 per cent of the equity is held by the Houghton family and friends, and the possibility of further liability for breast implants is a poison pill. But it has been a rough five years for Corning. It is an open question whether the company will ever be the same again.

Tony Jackson

Bankers Trust International PLC and Old Mutual U.S. \$200 Million "Assets Swapped". Bankers Trust International PLC ("BTI") is pleased to announce the successful structuring and completion of a further U.S. \$100 Million "Asset Swap" between BTI and South African Mutual Life Assurance Society ("Old Mutual").

Table with 3 columns: Issue Date, Face Value, and Coupon Rate. Includes entries for 1996-1997 and 1998-1999.

£65,900,000 CARPS III Limited Secured Amortising Floating Rate Notes due 1999. In accordance with the provisions of the Notes, interest is hereby given that the outstanding principal amount of the Notes will be repaid on April 9, 1999 together with interest accrued thereon.

Swire Pacific "1995 results reflect the Group's strength and resilience. We look to the future with confidence." PD A Sutch Chairman, Swire Pacific Limited Hong Kong, 15th March 1996. HIGHLIGHTS: Profit before tax US\$1,240M +16%, Profit attributable to shareholders US\$827M +16%, Investment property portfolio US\$6,209M -1%, Net assets per share US\$5.77 +1%, Earnings per share US\$2.2 +16%, Dividends per share US\$20.4 +14%

مكازم الجاهل

NEWS DIGEST

Genbel to unbundle R6bn portfolio

Genbel, the South African investment trust, yesterday announced it would unbundle its R6bn (\$1.5bn) portfolio as part of its conversion to a fully-fledged investment bank.

The group is offering a variety of options to its 13,000 shareholders, including about 3,500 in the UK. These include retaining an investment in Genbel, receiving shares in the new company, receiving an allocation of Genbel's unbundled shares, or accepting a cash offer from another institution.

The move is an attempt to unlock the hidden value of Genbel, whose share price has traded at a discount of more than 15 per cent against net asset value since it was unbundled from Gencor in November 1993.

Japanese retailer lifts forecasts

Mitsukoshi, one of Japan's most prestigious department store chains, says it will revise upwards its earnings projections, as a result of a recovery in consumer confidence and an improvement in its accounts.

Financing first for Indian drivers

Maruti Udyog, which accounts for 73 per cent of India's growing automotive market, yesterday linked with Countrywide Consumer Financial Services - a joint venture between Housing Development Finance Corporation (HDFC) and GE Capital - to form the country's first dedicated auto finance company.

Tokyo SE to simplify listing

The Tokyo Stock Exchange is to simplify listing procedures and reduce fees. Mr Mitsuhiko Yamaguchi, chairman, said the exchange had decided to abolish 24 of the 95 documents previously required as part of the application process.

Namibia Breweries to float

Namibia Breweries plans to go public, in the biggest listing of a Namibian company on the Windhoek stock market. The 75-year-old brewery, which produces beer in the African desert according to the strict German Reinheitsgebot purity rules, said it would list on the Namibian Stock Exchange on May 2.

Cathay Pacific catering buy

Cathay Pacific Airways, the Hong Kong carrier, has bought the 25 per cent of Cathay Pacific Catering Services (HK) it did not hold. The vendor is Hong Kong and Shanghai Hotels.

St George in A\$790m merger with Metway

The shake-out in Australia's banking industry continued yesterday, with St George Bank, the Sydney-based regional bank which has itself been widely tipped as a takeover target, announcing an agreed A\$790m (US\$611.3m) cash bid for Queensland's Metway Bank.

If the deal goes ahead, it will create the country's fifth largest banking group, with assets of about A\$2.4bn. The merged group would have a A\$20bn loan book and about A\$15.1bn of retail deposits.

It would also be the fourth largest merger in the banking sector in the past nine months. The flurry of takeovers began when Advance Bank made a A\$730m offer for Adelaide-based BankSA in June.

Mr Tony Asvainta surveys the methodical chaos that is the reclamation of Hong Kong's waterfront from his widow and shakes his head over suggestions that it is an eyesore. "That's not a mess, that's money," he says.

Mr Asvainta, executive vice-president of Hong Kong-listed CP Pokphand, is well acquainted with this sort of alchemy. His company has grown into one of the biggest foreign investors in China, selling day-old chicks and feed to ethnic Chinese businessmen.

Japan's second-tier brokers remain in red

By Emiko Terazono in Tokyo

Japan's "second-tier" brokers, the medium-sized securities houses, have been forced to revise downward their earnings forecasts for the year ending this month in view of the slow return to the Tokyo stock market by retail investors.

Seven of the eight second-tier houses, which had initially been expecting to break even, announced they would remain in the red, in spite of a recovery in trading volumes on the Tokyo Stock Exchange.

The past year has been led by overseas investors and domestic institutions, dealing through the Big Four brokers - Nomura Securities, Daiwa Securities, Nikko Securities and Yamaichi Securities.

Wako Securities is the exception, looking forward to a recurring profit of ¥500m in a turnaround from the previous year's ¥23.4bn loss. Industry analysts expect the company to forgo dividend payments for the year.

Meanwhile, the Tokyo Stock Exchange announced yesterday it expected to post a surplus of ¥3.5bn in its business results for the year to the end of this month, double that of the previous year. The OSE's revenue fell 12.3 per cent to ¥11.5bn because of the stock market slump in the first half, while expenditures dropped by 21.6 per cent to ¥7.3bn.

blamed lower income because of reduced turnover in government bond futures and convertible bonds. Income from fixed-rate membership fees is expected to drop 11.2 per cent to ¥13.3bn.

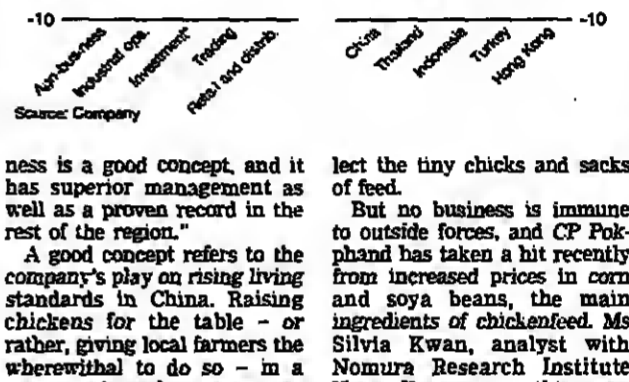
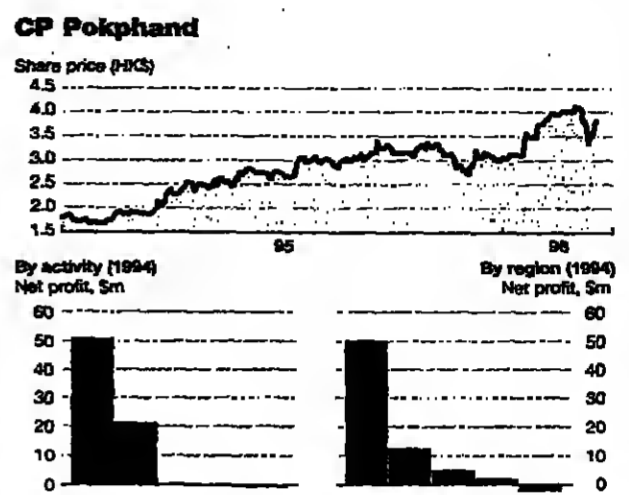
Putting more chickens on China's tables

From its core agribusiness to telecoms and motorcycles, CP Pokphand's diversity is working, writes Louise Lucas

Mr Tony Asvainta surveys the methodical chaos that is the reclamation of Hong Kong's waterfront from his widow and shakes his head over suggestions that it is an eyesore.

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ness registration certificate number 0001. Today, CP Pokphand employs 15,000 people there. It boasts a market capitalisation of some HK\$8.06bn (US\$1.05bn) and a sprawling empire spanning China, Thailand, Indonesia, Turkey and Hong Kong.

Mr Benjamin Gaon, Tadiran's chairman, said several leading US and European companies had already expressed interest in buying an equity stake in its military division.

race to pip China's leading manufacturer, former arms maker Jialing Industrial Group, which in 1994 produced 900,000 motorcycles.

Technology for the bikes came from Honda of Japan, and the division has a healthy net cash position, which stood at US\$45m at the end of 1994.

Mr Charles Wong, China analyst at James Capel in Hong Kong, says the company is poised to take off as a lot of new China joint ventures start making their maiden contributions, so accelerating earnings growth.

Tadiran seeks foreign partner for military arm

By Mark Dennis in Jerusalem

Tadiran, Israel's leading electronics company, yesterday announced record annual sales, and launched a search for a foreign strategic partner for its military communications division.

on March 28. The company, which is currently undertaking a roadshow in the US, will sell 20 per cent of its shares at \$15 to \$17 each and be floated at a market value of \$400m.

last results as justification for last year's reorganisation, which created Tadiran Telecommunications, closed unprofitable divisions, streamlined its R&D and brought its military operations into one unit.

time, at \$1.048bn, a 21.5 per cent increase over 1994's \$862.9m. However, net income for the year declined from \$38m to \$27.6m, which management said reflected the \$18m cost of restructuring in the first quarter.

"Our strategy was to have the military under one company and then look to bring in a strategic partner. We have started searching," said Mr Gaon, who noted that the process "still has a long way to go".

NOTICE TO HOLDERS OF WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF TRANS COSMOS INC. (the "Company")

Hanwha Chemical Corporation (Incorporated in the Republic of Korea with limited liability) Notice to the Holders of the outstanding U.S. \$56,000,000 3% per cent. Convertible Bonds due 2006

European Investment Bank Italian Lira 350 Billion Floating Rate Notes due December 1999 Notice to the Holders

Invitation to the Annual General Meeting Notice is hereby given that the Annual General Meeting will be held at 10 a.m., on Tuesday, 30 April 1996, at the Jahrhunderthalle Hoechst, Frankfurt am Main

BANCA DI ROMA GRUPPO CASA DI RISPARMIO DI ROMA NOTICE TO THE HOLDERS OF B WARRANTS ORIGINATING FROM MEDIOBANCA INTERNATIONAL 1991-1996 BONDS WITH BANCA DI ROMA (formerly Banco di Santo Spirito) warrants.

Notice of a Revision in the Optional Exchange Price DAIWA INTERNATIONAL FINANCE (CAYMAN) LIMITED (the "Company")

European Investment Bank Italian Lira 300 Billion Capped Floating Rate Notes due 1999 Notice to the Holders

Hoechst logo and company information

COMPANIES AND FINANCE: UK

Australian engineering division to be sold despite performing well

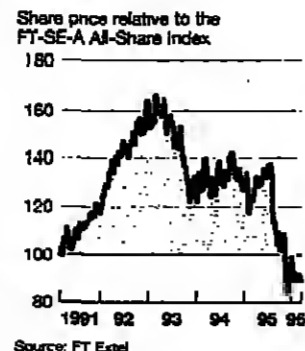
Rexam blames fall on higher input costs

By Patrick Harverson

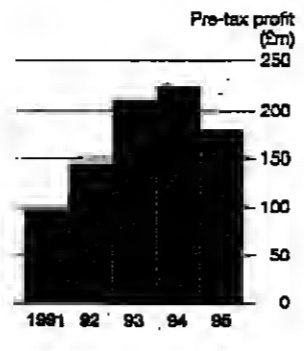
Rexam, the printing, packaging and coatings group, reported a sharp drop in annual profits yesterday and warned that conditions in its main markets would remain difficult until at least the second half of this year.

Pre-tax profits in 1995 fell from £226m to £180m (£275m) despite growth in turnover to £2.45bn (£2.21bn). The downturn in profits had been expected after Rexam issued two profits warnings last year, and the shares rose 15p to 370p.

Rexam



Source: FT Intel



material prices led to severe destocking by customers. This was especially damaging because the group had positioned itself for volume growth in its main markets.

Paterson Zochonis rises to £13.2m as Nigeria output returns to normal

By David Blackwell

Improved fortunes in Nigeria, which accounts for about a fifth of sales, helped to lift interim profits at Paterson Zochonis by 18 per cent.

when a lack of foreign exchange in the banking system hit the ability to import sufficient raw materials. However, while currency was now available, the market was a little tighter because of the government's battle against inflation.

Brothers' Dove brand. The company added to the Polish business last May, which has brand leadership for male toiletries and contributed more than £10m to sales.

RESULTS

Table with columns: Turnover (£m), Pre-tax profit (£m), EPS (p), Current dividend (p), Date of payment, Dividends (p), Total for year, Total last year. Lists various companies and their financial performance.

Siebe and Unitech fail to agree terms

By Tim Burt

A preliminary meeting between advisers acting for Siebe and Unitech yesterday ended without agreement on takeover terms for the electronic controls manufacturer.

signs from Siebe that it would not pay a price that risked diluting its earnings per share. The industrial controls and temperature appliances group was said to be leaning towards a paper offer of up to 67p a share with a discounted cash alternative.

Lucas up 27% in volatile markets

By Tim Burt

Lucas Industries, the automotive and aerospace equipment group, yesterday reported a 27 per cent increase in operating profits for the six months to January 31, despite volatile demand from vehicle and aircraft manufacturers.

duction schedules had pushed working capital up from £45m to £53m. "We expect stock levels to be reduced substantially in the second half as these issues are addressed, with a consequent improvement in borrowings and gearing."

Higher copper prices help Antofagasta rise to £67m

By Kenneth Gooding, Mining Correspondent

Increased output from its mines in Chile and higher copper prices helped Antofagasta Holdings, the London-listed group, to treble profits before tax and exceptional items, from £21.5m to £67.4m (£103m) for the year to December 31.

particularly the mining division, "where again the first priority is to reduce costs". Last year the mining division's operating profit jumped from £5.8m to £46.1m on sales ahead from £74.3m to £155.4m.

expanded into other parts of South America last year, contributing operating profits of £5.5m (£5.4m). Madeo, the copper fabricating and manufacturing business, was affected by a strong Chilean peso and severe recession in Argentina, and its profits fell to £5.2m.

Hampel gets 42% rise in remuneration

By Christopher Price

Sir Ronald Hampel, who is leading a City committee investigating corporate governance issues including the level of disclosure on pay, received a 42 per cent increase in remuneration last year as chief executive and later chairman of Imperial Chemical Industries.

Norwich Union puts off mutual decision

By Ralph Atkins, Insurance Correspondent

Norwich Union, of the UK's largest insurers, yesterday put off until the autumn a decision on whether to abandon its mutual status and prepare for flotation.

Speaking as the group unveiled 1995 results showing stable worldwide premium income and higher general insurance operating profits, Mr Allan Bridgewater, chief executive, said issues surrounding Norwich's future structure were "complex and time-consuming".

LEX COMMENT Rexam

Rexam's outgoing management yesterday presented the group as a seaworthy ship that a rising economic tide and a new captain would soon float off the rocks. But the 20 per cent drop in 1995 profits hints at holes below the waterline.

However it has reduced the return on capital to little more than 10 per cent after adding back goodwill written off on acquisition. Longer term, the focus on fewer, more powerful customers and the increasing spread of Rexam's coatings and laminates technology both look worrying.

Advertisement for Blyvooruitzicht Gold Mining Company, Limited. Includes company logo, name, registration details, and a detailed table of salient dates for the rights offer from March 22 to April 30, 1996.

Advertisement for Bank of Tokyo (CURAÇAO) HOLDING N.V. and other financial institutions. Lists various bond offerings with details on denominations, interest rates, and maturity dates.

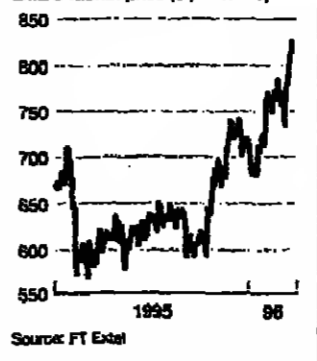
Monday March 20 1996
s to £13.2m
ns to normal

Lead surges as squeeze tightens

By Kenneth Gooding, Mining Correspondent
A technical squeeze gripping the London Metal Exchange's lead market became even more ferocious yesterday, driving prices to the highest level for five and a half years while causing considerable financial pain to those short of the metal.

close it was \$96 with lead for delivery in three months at \$294.50 a tonne and cash metal at \$282.50.
As recently as March 7 the three-month lead price had fallen to \$731 a tonne and seemed to be set to drop further. Instead, it advanced by nearly \$200 a tonne in only eight trading days.

Lead



weaker - in any case the second quarter of the year was usually a time of weak demand for the metal - and prices ought to be about \$70 a tonne.

Prime minister calls for end to Australian zinc mine delay

By Nikki Tait in Sydney
Australia's new federal coalition government yesterday became embroiled in the controversy of whether to hold up the development of the Londonderry RTZ-CRA mining group's proposed US\$550m Century zinc mine in Queensland.

Brazil's coffee trade divided over quotas

Jonathan Wheatley on a row between interventionists and free-marketiers
Rival representatives of Brazil's coffee exporters are meeting in Brasilia this week to try to reconcile their differences over export quotas. The two factions - which may broadly be defined as interventionists and free-marketiers - seem unlikely to reach a consensus before the Association of Coffee Producing Countries begins a series of meetings in London next Monday.

Brazilian Coffee Exports (60kg bags)

Table with 3 columns: 1996, 1995, 1994. Rows for January, February, March, April, May, June, July, August, September, October, November, December. Values in thousands of metric tons.

Fyffes sells Costa Rican banana farm

By Canute James in Kingston
Fyffes, the Irish fruit marketer and the Windward Islands Banana Development and Exporting Company have sold their 2,600 hectare banana farm in Costa Rica to an unnamed local company for \$14m.

Mineral export boost forecast

Australia is looking at a 15 per cent increase in the value of its mineral exports in the current financial year, to A\$35.6bn, and could see a further 14 per cent rise, to A\$40.6bn, according to the latest quarterly forecasts from the Australian Bureau of Resource and Agricultural Economics.

Both sides express themselves cautiously. Febeac supports the principle of export quotas and would argue for the retention of "some kind of co-ordination" of the market, an official said. Abecafu favours efforts to increase global coffee consumption rather than to support prices and, although it is against quotas, will respect any future ACPAC agreement.

Coffee production in Brazil has yet to recover fully from the frosts of mid-1994 that cut the 1995-96 harvest to less than half its expected volume and sent international prices soaring. Last September, as markets relaxed, the ACPAC was formed by producers representing about three quarters of world output who wanted to keep prices high. They agreed quotas that restricted Brazil's exports to 3m bags (60kg each) every three months.

Woodside finds second field in North-West Shelf oil permit

Woodside Petroleum, the Perth-based group that operates the North-West Shelf project off the coast of Western Australia, has confirmed the discovery of another oil field within the Lambert permit.

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COMMODITIES PRICES

Large table of commodity prices including Base Metals, Precious Metals, Grains and Oil Seeds, Softs, Meat and Livestock, Energy, and Precious Metals. Columns include item name, price per unit, and changes.

JOTTER PAD: A 10x10 grid for a crossword puzzle. Some numbers are pre-filled in the grid.

CROSSWORD No.9,023 Set by CINCINNUS

CROSSWORD: The crossword puzzle grid with numbered starting points for words. Includes clues like '1 Across' and '7 Down'.

- 1 Monks very quiet in straight order (8)
2 Swifts, for example, posed with flowers on table-top (8)
3 Financial venture losing initial capital in embelment (10)
4 An envoy raises my output (8)
5 Catholic returns to paradise with Anglican belief (8)
6 Rose, the beautiful woman in red (8)
7 Religious teacher beginning to train timid person (16)
8 Financial liability could be exposing (6)
9 Making silent entrances (8)
10 Pleasing chief by preparing for war (8)
11 Swifts, for example, posed with flowers on table-top (8)
12 Financial venture losing initial capital in embelment (10)
13 An envoy raises my output (8)
14 Catholic returns to paradise with Anglican belief (8)
15 Rose, the beautiful woman in red (8)
16 Religious teacher beginning to train timid person (16)
17 Financial liability could be exposing (6)
18 Making silent entrances (8)

INTERNATIONAL CAPITAL MARKETS

Europe slips on German M3 worries

By Richard Lapper in London and Lisa Bransten in New York... European bond markets were helped by a positive early performance by the US Treasury market but then slipped slower in part on fears that German money supply data due later this week might be higher than expected.

The Commerce Department said construction began on 1.5m new homes in February, the largest number since December 1994. Some economists said these figures might have been even stronger were it not for the severe weather across the east coast and much of the mid-west.

German bonds opened strongly. On Life, the June 10-year bund future climbed to a high of 95.59. Later, however, locals were reported to be heavy sellers and the contract settled at 95.30, down 0.08 on Monday's close.

In France, further reductions in the call rate helped the short end, with yields on benchmark two-year paper falling by some 3 basis points, while 10-year yields fell by 1 basis point.

Swedish government bonds, following a 25 basis point cut by the Riksbank in its repo rate - the sixth this year - and indications that other rates could also fall, the 10-year yield spread over bunds narrowed by 8 basis points to 226 points.

Late flurry of activity in European currencies

Elsewhere, Bank Nederlandse Gemeenten (BNG) tapped the 10-year French franc sector via lead managers BNP, Caisse des Dépôts and SBC Wertburg.

This was the first French franc operation for BNG, a very active borrower in other segments of the armament. The proceeds were swapped into fixed-rate Dutch guilders, at an all-in cost of around 15 basis points over the yield of 10-year DSUs.

Another Triple A rated borrower, SNCF, the French national railway, issued a retail-targeted 670-year euro bond in Luxembourg francs. "It was an opportunistic issue", aiming to take advantage of particularly attractive swap conditions into French francs, said SNCF. The all-in cost to the borrower came out at a "substantial, two-digit spread" below Fibor, the three-month reference rate for French francs.

US Treasury prices were modestly higher by early afternoon after dipping lower in the morning on the release of data showing new home construction figures for February slightly above analysts' expectations.

Economists expect sales to have jumped by about 0.9 per cent after January's 0.3 per cent decline.

UK government bonds followed bunds lower and on Life the June 10-year gilt closed at 104.8, down 0.22, but recovered most of the fall in APT trading.

Italian bonds shrugged off higher than expected wholesale price figures. On Life, the June 10-year future settled at 108.45, down 0.22, but recovered most of the fall in APT trading.

Higher than expected wholesale price figures. On Life, the June 10-year future settled at 108.45, down 0.22, but recovered most of the fall in APT trading.

Finer prices for Scandinavian borrowers

Stockholm is believed to have received bids from 15 to 20 banks and is expected to draw up a final list of two or three by the end of this week. Bankers believe more Scandinavian borrowers will tap the market in coming months.

Enskilda is arranging the deal, which will refinance a \$100m facility signed in November 1994 as well as an acquisition "bridge" loan taken out to fund Assa's recent takeover of Eastern, a US company. The facility will be syndicated to a group of relationship banks.

Enskilda is also involved, together with Chemical Bank, in a restatement of the terms and a potential increase in an outstanding facility for Securum, an investment holding company owned by the Swedish state.

Securum took out a \$1.4bn five-year term loan facility in January 1995, it has reduced the amount of its debt outstanding to \$980m as a result of asset sales.

Its ability to dispose of more of its assets. However, Securum has asked the banks involved in the facility to top up the outstanding amount by up to \$200m to help pay for the SKR \$3bn (\$570m) purchase of Retiva, another state-owned holding company.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fee, Spread, Book-number. Includes entries for O-MARKS, EURO-BONDS, and NEW EURO-BONDS.

WORLD BOND PRICES: Benchmark Government Bonds table with columns: Country, Coupon, Price, Day's change, Yield, Week ago, Month ago.

BUND FUTURES OPTIONS (LFFE) table with columns: Strike Price, Apr, May, Jun, Sep, Apr, May, Jun, Sep.

FT-ACTUARIES FIXED INTEREST INDICES table with columns: Price Index, UK Gilts, US Treasury, etc.

FT/ISMA INTERNATIONAL BOND SERVICE table with columns: Issued, Bid, Offer, Ctg, Yield.

US INTEREST RATES: Treasury Bills and Bond Yields table with columns: Rate, One month, Three month, Six month, One year.

UK GILTS PRICES: Table with columns: Issue, Bid, Offer, Price, Yield.

FT/ISMA INTERNATIONAL BOND SERVICE: Table with columns: Issued, Bid, Offer, Ctg, Yield.

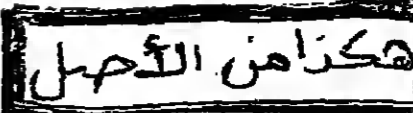
FT/ISMA INTERNATIONAL BOND SERVICE: Table with columns: Issued, Bid, Offer, Ctg, Yield.

CONVERTIBLE BONDS: Table with columns: Issued, Bid, Offer, Ctg, Yield.

OTHER FIXED INTEREST: Table with columns: Issue, Bid, Offer, Price, Yield.

OTHER FIXED INTEREST: Table with columns: Issue, Bid, Offer, Price, Yield.

OTHER FIXED INTEREST: Table with columns: Issue, Bid, Offer, Price, Yield.



f activity currencies

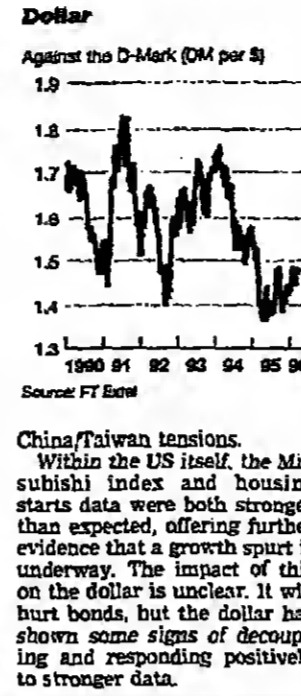
MARKETS REPORT

Swedish krona rallies on interest rate cut

By Philip Gawth

The Swedish krona was again the main mover on the foreign exchange market yesterday as markets responded positively to the Riksbank's decision to cut the repo rate to 1.6 per cent from 7.85 per cent.

The krona's rally would appear to be powered by investors capitalising on the prospect of making profits on underlying bond holdings, as well as on the currency.



Looking ahead, Mr Hale sees three reasons to be optimistic about the dollar: a stronger US economy should lessen investor concern about the risk of recession depressing corporate profits; the repatriation of capital to Japan may slow, and even reverse, and the Russian presidential election in June.

POUND SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Mar 19, Closing mid-point, Change on day, Bid/offer spread, Day's high/low, One month Rate %PA, Three months Rate %PA, One year Rate %PA, Bank of England Index.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Mar 19, Closing mid-point, Change on day, Bid/offer spread, Day's high/low, One month Rate %PA, Three months Rate %PA, One year Rate %PA, J.P. Morgan Index.

CROSS RATES AND DERIVATIVES

Table showing exchange rates for various currencies (Belgium, Denmark, France, Germany, etc.) with columns for currency, rate, and change.

UK INTEREST RATES

Table showing UK interest rates for various terms (London Money Rates, UK clearing bank base lending rate, etc.).

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various currencies (Belgium, Denmark, France, Germany, etc.).

UK MONEY RATES

Table showing UK money rates for various terms (Interbank Sterling, Sterling CDs, Treasury Bills, etc.).

EUROPEAN CURRENCY UNIT RATES

Table showing European Currency Unit rates for various currencies (Spain, Netherlands, Belgium, etc.).

PHILADELPHIA SIX SIX OPTIONS

Table showing Philadelphia Six Six options for various currencies (Sterling, Pounds, etc.).

THREE MONTH EURO CURRENCY

Table showing three month Euro currency rates for various currencies (Mar, Jun, Sep).

BASE LENDING RATES

Table showing base lending rates for various banks (Adami & Company, Allied Trust Bank, etc.).

THREE MONTH EURO CURRENCY

Table showing three month Euro currency rates for various currencies (Mar, Jun, Sep).

WORLD INTEREST RATES

Table showing world interest rates for various countries (Belgium, Denmark, France, Germany, etc.).

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various currencies (Belgium, Denmark, France, Germany, etc.).

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NOTICE OF ANNUAL GENERAL MEETING. Presentation of the Report of the Board of Directors.

Approval of items 1 through 8 of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting.

Rectification Notice. US \$35,750,000. MIWON CO., LTD.

European Investment Bank. Floating Rate Notes due 2005.

NOTICE TO THE HOLDERS OF THE OUTSTANDING U.S. \$30,000,000.

NOTICE IS HEREBY GIVEN to the holders of the Bonds that, as a result of the issue by the Company of 183,645 shares of its common stock.

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LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, share price, and change.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector with columns for company name, share price, and change.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector with columns for company name, share price, and change.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector with columns for company name, share price, and change.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector with columns for company name, share price, and change.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector with columns for company name, share price, and change.

CHEMICALS

Table listing companies in the Chemicals sector with columns for company name, share price, and change.

DISTRIBUTORS

Table listing companies in the Distributors sector with columns for company name, share price, and change.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector with columns for company name, share price, and change.

ELECTRICITY

Table listing companies in the Electricity sector with columns for company name, share price, and change.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical Eqpt sector with columns for company name, share price, and change.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, share price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, share price, and change.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of Electronic & Electrical Eqpt sector table.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, share price, and change.

ENGINEERING - Cont.

Continuation of Engineering sector table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

ENGINEERING - Cont.

Continuation of Engineering sector table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, share price, and change.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, share price, and change.

ENGINEERING - Cont.

Continuation of Engineering sector table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

ENGINEERING - Cont.

Continuation of Engineering sector table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, share price, and change.

HEALTH CARE - Cont.

Continuation of Health Care sector table.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, share price, and change.

INSURANCE

Table listing companies in the Insurance sector with columns for company name, share price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, share price, and change.

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Table listing companies in the Investment Trusts sector with columns for company name, share price, and change.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts sector table.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, share price, and change.

INSURANCE

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Advertisement for Computacenter featuring the text 'digital PC From the UK's leading provider of distributed IT systems and services. Computacenter'.

Handwritten text at the bottom of the page: 'مکتبہ اسلامیہ'.

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing various investment trusts with columns for Name, Price, and % Change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies (continued) with columns for Name, Price, and % Change.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and % Change.

MEDIA

Table listing media companies with columns for Name, Price, and % Change.

OTHER FINANCIAL - Cont.

Table listing other financial companies (continued) with columns for Name, Price, and % Change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and % Change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

PROPERTY

Table listing property companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies (continued) with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies (continued) with columns for Name, Price, and % Change.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, and % Change.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and % Change.

RETAILERS, GENERAL - Cont.

Table listing general retailers (continued) with columns for Name, Price, and % Change.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

SUPPORT SERVICES - Cont.

Table listing support services companies (continued) with columns for Name, Price, and % Change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and % Change.

TOBACCO

Table listing tobacco companies with columns for Name, Price, and % Change.

TRANSPORT

Table listing transport companies with columns for Name, Price, and % Change.

WATER

Table listing water companies with columns for Name, Price, and % Change.

AIM

Table listing AIM companies with columns for Name, Price, and % Change.

AIM - Cont.

Table listing AIM companies (continued) with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and % Change.

GUIDE TO LONDON SHARE SERVICE

Price for the London Share Service by FT Ltd, a member of the Financial Times Group. Company classifications are based on those used for the FT-SE 100. This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £250 a year for each company shown, subject to the Editor's discretion.

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£13.2m to normal. The market moved to the upside... The FTSE 100 rose 1.2% to 4,812.5.

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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda (SIB Recognised) funds including Fidelity Currency Funds Ltd, Royal Bank of Canada Q/S FI Mgrs Ltd, and various international and equity funds.

BERMUDA (REGULATED)**

Table listing Bermuda (Regulated) funds including Bermuda Int'l Investment Mgmt Ltd, Fidelity International Growth Fund, and various international and equity funds.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey (SIB Recognised) funds including AIG Investment Managers (Guernsey) Ltd, Fidelity International Growth Fund, and various international and equity funds.

GUERNSEY (REGULATED)**

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IRELAND (SIB RECOGNISED)

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IRELAND (REGULATED)**

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ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man (SIB Recognised) funds including AXA Equity & Law Int'l Fund Mgrs, Fidelity International Growth Fund, and various international and equity funds.

ISLE OF MAN (REGULATED)**

Table listing Isle of Man (Regulated) funds including AXA Equity & Law Int'l Fund Mgrs, Fidelity International Growth Fund, and various international and equity funds.

JERSEY (SIB RECOGNISED)

Table listing Jersey (SIB Recognised) funds including AIG Investment Managers (Guernsey) Ltd, Fidelity International Growth Fund, and various international and equity funds.

JERSEY (REGULATED)**

Table listing Jersey (Regulated) funds including AIG Investment Managers (Guernsey) Ltd, Fidelity International Growth Fund, and various international and equity funds.

LUXEMBOURG (SIB RECOGNISED)

Table listing Luxembourg (SIB Recognised) funds including AIG Investment Managers (Guernsey) Ltd, Fidelity International Growth Fund, and various international and equity funds.

LUXEMBOURG (REGULATED)**

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Main table containing fund names, prices, and performance data. Includes sections for 'OTHER OFFSHORE FUNDS' and 'OFFSHORE INSURANCES'.

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MANAGED FUNDS NOTES
These are in some cases...
1. The fund's assets...

WORLD STOCK MARKETS

Main table of world stock markets including sections for EUROPE, NORTH AMERICA, ASIA, and AUSTRALIA. Each section lists various stock indices and individual company shares with their respective prices and changes.

Rockwell supplies virtually every European car manufacturer with automotive components and systems. Includes the Rockwell logo and a brief description of their services.

INDICES table showing various regional and global indices such as the Nikkei 225, Dow Jones, and FTSE 100, along with their current values and percentage changes.

US INDICES table providing detailed data on major US stock indices, including the S&P 500, Dow Jones Industrial Average, and NASDAQ Composite.

ASIA table listing stock indices and company shares from major Asian markets like Japan, Hong Kong, and Singapore.

AUSTRALIA table showing the performance of the Australian stock market, including the All Ordinaries index and various local shares.

AFRICA table listing stock indices and company shares from African markets, including the Johannesburg Stock Exchange.

INDEX FUTURES table showing data for various futures contracts, including S&P 500, Nikkei 225, and other regional indices.

US INDICES table (continued) providing further details on US market indicators and performance metrics.

ASIA table (continued) listing additional Asian market data and company share prices.

AUSTRALIA table (continued) showing more Australian market data and share prices.

AFRICA table (continued) listing further African market information and share prices.

PT FREE ANNUAL REPORTS SERVICE: Information regarding the availability of annual reports for various companies, including contact details and a list of participating firms.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Table of stock prices for various companies, including columns for stock name, price, and change. Includes sub-sections like 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

Table of stock prices for various companies, including columns for stock name, price, and change. Includes sub-sections like 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices. Columns include Stock, High, Low, Change, and Volume. Includes sub-sections for 'Continued from previous page', 'T', 'U', and 'X-Y-Z'.

AMEX COMPOSITE PRICES

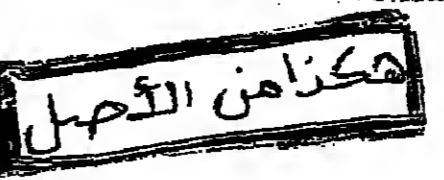
Table of AMEX Composite Prices. Columns include Stock, High, Low, Change, and Volume. Includes sub-sections for 'Continued from previous page' and 'T'.

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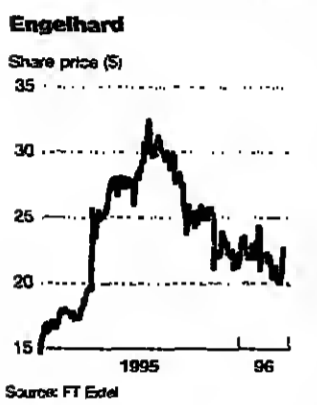
NASDAQ NATIONAL MARKET

Table of NASDAQ National Market. Columns include Stock, High, Low, Change, and Volume. Includes sub-sections for 'Continued from previous page', 'T', 'U', 'X-Y-Z', and 'K'.

Table of international market data, including various stock indices and prices from different regions.

AMERICA Dow fails to sustain an opening rise

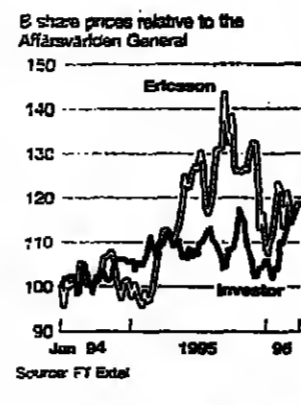
US share prices were mostly flat in volatile trading at mid-session yesterday as technology shares gave up some of the strong gains made over recent sessions.



Micro Technology was \$1.70 lower at \$33.74. Philip Morris continued the drop after the Liggett Group announced that it planned to settle its part of litigation filed against all the major US tobacco groups.

EUROPE Ericsson, Astra help Stockholm to all-time high

Strong advances in Ericsson and Astra took STOCKHOLM to another all-time high, with the general market supported by the central bank's repo rate cut early in the day and Wall Street's overnight sprint.



Ericsson B jumped SKr5 to SKr154.5 on strong international interest after the company's announcement on Monday of two orders totalling more than SKr4bn and on speculation that it would exceed its goal of winning 30 per cent of the personal communications systems market in the US.

ASIA PACIFIC Hong Kong up 2.6%, Nikkei in fourth straight gain

Monday's surge on Wall Street and a decline in the yen boosted investor confidence, writes Emiko Terazono in Tokyo.

had concluded that the stock was running ahead of the fundamentals. The day's winners, said Ms Altman, suggested a search for renewed momentum as chemicals ran out of impetus.

PARIS failed to live up to Monday's hopes for Michelin and Renault. The tyre maker fell FFr4.50 to FFr234.50 as traders picked on points of detail in a good set of results.

Sum Hong Kai Properties

construction stocks. Mitsui Fudosan firmed Y50 to Y1340. The Nihon Keizai Shimbun, the business daily which issues the Nikkei index, said it would replace Bank of Tokyo, which is to merge with Mitsuhi Bank in April.

Wall Street's overnight rise took HONG KONG up 2.6 per cent, the Hang Seng index closing 273.22 higher at 10,880.50.

Rate cut aids Mexico

Mexico City was higher after a sharp drop in domestic interest rates, and by mid-session the IPC index stood 21.98 to the good at 2,599.30.

S African tobacco issues weak

Johannesburg's gold shares bounced off the day's low to end only slightly down as sentiment and activity improved in the afternoon following a brief rise in the bullion price.

Roundup

Wall Street's overnight rise took HONG KONG up 2.6 per cent, the Hang Seng index closing 273.22 higher at 10,880.50.

Akbank: stronger than ever.

Akbank posted record earnings for 1995 as after tax profit climbed 61.3% compared with 1994 to reach us \$247 million. This achievement continues a tradition of sound and stable growth, supported by a strong financial structure.

Table with columns for National and Regional Markets, Monday March 18 1996, Friday March 15 1996, and Dollar Index. Lists various global stock indices and their performance.

Akbank advertisement featuring the text 'Star Performer' and 'Pursuit of Excellence'. Includes a table of assets and liabilities as of 31st December 1994 and 1995, and contact information for Akbank T.A.S.